

A Crushing Burden

Why Is Rockland County So Heavily Taxed?



An examination of property taxes in Rockland County, NY, and recommendations related to controlling them

**by Hudson Valley Pattern for Progress
for the Rockland Business Association**

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OVERVIEW

The Rockland Business Association (RBA) contacted Hudson Valley Pattern for Progress in 2015 amid growing concern over the high property tax burden in Rockland County, NY.

The research and policy organization Hudson Valley Pattern for Progress is a 501(c)(3) nonprofit founded in 1965 in order to promote regional, balanced and sustainable solutions that enhance the growth and vitality of the Hudson Valley. It is headquartered in Newburgh, NY.

The Rockland Business Association, known as the "voice of business in Rockland County," is a not-for-profit membership organization, incorporated in 1967 and headquartered in Pearl River, NY. The organization serves the entire Rockland County business community as well as many firms in the Hudson Valley and New Jersey wishing to do business in Rockland. The mission of the Rockland Business Association is "to educate, inform, and provide beneficial services to members and actively represent, promote and support the business community of Rockland County." At the time of this writing, according to the RBA, the organization has more than 900 member businesses including manufacturing, financial and service industries.

A central activity of the RBA's mission is to foster the growth of business and the growth of the overall community in Rockland County while always keeping the quality of life in mind. The topic of property taxes and how they fit into that mission-driven activity is of high interest to the RBA and its members.

With this in mind, the assignment to Pattern for Progress was two-fold: Why are Rockland County's taxes, by some measures, the 2nd highest in the nation? And is there anything that can be done about it?

FOREWORD

When the RBA first approached Hudson Valley Pattern for Progress to research why Rockland County was ranked not just the second highest taxed county in New York State but in the entire United States by the real estate research firm Zillow, we admit we were more than curious. In our region we might expect that of Westchester and indeed Westchester is number one in the country, but Rockland?

So we enthusiastically took on the assignment as property taxes impact so many aspects of the quality of life in Rockland County and the Hudson Valley. From the beginning we knew that while the population was growing, albeit it a slower pace than in the past, those migrating out of the county were being replaced by earners who on average were making less than those leaving the county. Could newcomers afford to pay the taxes of their new county of residence? And what of those who have lived in Rockland for years?

As we dug deeper we were to learn that the county's poverty rate nearly tripled from 2000 to 2014. Indeed the impact of property taxes plays a role in Rockland as the capacity to pay, the need to support those in poverty, the diminishing numbers of residents that could pay the current level of taxes and anecdotally a sense that there was a out-migration of wealthier residents seeking to escape the oppressive level of taxation are all factors to varying degrees as to why Rockland is such a highly taxed county.

This is the second time the RBA, in an unflinching demonstration of its leadership role, has asked Pattern to focus on issues within the county that are both fiscal and controversial in nature. The first was a November 2012 report that focused on the county government and its financial outlook as the county was on the verge of bankruptcy. The timing could not have been better as the county was about to have its first new county executive in 20-plus years and the leadership of the legislature would also shortly change. That report contained many suggestions as to where to look for improvements in finances and cost savings.

This report is different. The charge from the RBA was: Is the assertion of Rockland being so severely tax burdened true and if so explain why? From the beginning of our research we said finding solutions may be hard because some key contributing factors – such as proximity to New York City – were simply not going to change. In addition, approximately two-thirds of the tax burden comes from school taxes and approximately

65% of that cost is salaries and benefits which are contractually negotiated as well as vested and also very hard to reduce. Another complicating issue, as we were to quickly learn, was that no one factor was to blame. A myriad of issues contribute to Rockland dubious high-tax distinction.

Other factors are significant contributors such as the extraordinarily high salaries of large numbers of public sector workers, i.e., numerous members of local town police departments as well as teachers and school administrators. When total compensation exceeds \$120,000 to \$200,000 per year for individual public employees, we are no longer talking about members of the middle class seeking to earn a living wage. The issue of affordability comes quickly to the fore because these individual salaries can be very much out of alignment with the \$85,808 average income of an *entire* Rockland County *household*, and as such are a strong contributing factor to these high taxes.

There seem to be two choices for Rockland residents when it comes this issue. Either they believe they are getting their money's worth and therefore should stop raising it as an issue, or resolve to enter into a discussion that they want the level of taxes changed, recognize that it won't be easy, and commit to supporting those that attempt to do so.

A report such as this does not seek to make enemies, though some may be made, and it does not seek to make friends. Both we and the RBA recognize this. We see our job as lending fact and context to a dialogue that is very much present in Rockland. Our findings and recommendations are not the end of the dialogue, they are a beginning.

Jonathan Drapkin, President and CEO

Hudson Valley Pattern for Progress

EXECUTIVE SUMMARY

High Public Salaries, An Eroding Tax Base, A Poorer Population

An examination of property taxes in Rockland County reveals one simple fact: There is no single driver behind the county's high taxes. Instead it is a mixture of factors, some that are related to geographic location, some that have to do with the costs associated with New York state as a whole **and some that are particular to Rockland County and indeed to particular locations – towns, villages and school districts – within Rockland County.**

Among these "Rockland specific" factors are:

- the high level of public employee compensation in local police departments and in school districts relative to median household income in the general population;
- onerous costs incurred by a large school district (North Rockland), its component towns (Haverstraw and Stony Point), and to some extent the county following a tax certiorari case won by the utility Mirant in 2007;
- heavy debt at the county level resulting from the county budget deficit crisis that came to a head in 2011-12;
- demographic and economic shifts which have led to a dramatic increase in poverty rates and stagnating median household incomes. As poverty increases, so too, does the demand for school and government services - all factors in the tax burden
 - among the services in demand is Medicaid; the percent of Rockland residents enrolled in Medicaid more than doubled from 9.5% in 2000 to 24.5% in 2013;
- the emergence of one town, Ramapo, as the fastest growing town by far - it accounted for 58% of Rockland's growth from 1970 to 2020 - and as a location where tax exemptions for religious purposes, including religious schools, have skyrocketed.

Ultimately, it is a combination of factors that result in tax bills that are unusually burdensome to residents and businesses in Rockland County and that are often listed as **among the highest in the nation.**

Salaries and compensation are a main element in public budgets and therefore in the tax burden. **When the cost of compensation of many individuals in the public sector exceeds the median household income of the local taxpayers that pay those salaries, the tax burden can be particularly onerous and can become unaffordable and even unsustainable.**

Unaffordable is a term that is correctly associated with the cost of housing in Rockland County. Housing is a particularly relevant metric as it is so closely tied to the level of property taxes. Consider:

- The status of low- to moderate-income households living in their own homes in Rockland is described as "severely cost burdened" because these households spend more than 50% of their gross income toward the cost of housing.
 - In this regard, Rockland is the most severely cost-burdened county in the nine counties of the Hudson Valley. Severely cost burdened is a term that is one rung **above "unaffordable"** in the language of those who measure housing costs.

The tax burden is an issue that is top-of-mind in Rockland County. In an informal annual Pattern for Progress poll of Rockland Business Association members called "The Pulse of Rockland," taxes were cited as the most important topic facing Rockland County for the past three years. To question why tax bills are so high is a natural and responsible reaction from taxpayers and community leaders and organizations such as the RBA.

This report evaluates the data on property taxes in Rockland, starting with an overview of the tax burden and its impact on residents and business, continuing with an examination of possible contributing factors to Rockland's high taxes, and concluding with a slate of recommendations for action that could slow or diminish the unsustainable growth in tax bills.

Experts differ on the best way to measure the property tax burden of a given locality. Among the ways often used to evaluate tax burden are the raw dollar amount of taxes paid, the tax rate per \$1,000 of full value, the amount of property taxes as a percentage of home value, or the size of the property tax bill relative to homeowner income. Depending on which measurement is chosen, Rockland's tax burden either ranks as

among the highest in the nation, or as very high for an affluent¹ suburban county. Whichever measurement is chosen, the property tax burden on most property owners in Rockland County is significant. When discussing average tax bills, however, it is important to note that property tax rates vary significantly within Rockland itself, and that the highest taxed areas **may be paying close to double the taxes of the lowest taxed areas within the county itself.**

Why are Rockland's taxes so high? This is the key question, and it often seems as if every resident, businessperson, and elected official has their own answer. In addition to those factors listed above, Rocklanders have noted the number of overlapping local governments; the homestead tax system, and others. This report discusses these and other possible explanations. Given the size of the average tax bill, clearly no one factor can fully explain these high taxes, though some stand out as more significant than others.

Evidence points to Rockland County's proximity to New York City and the high property values that result from this desirable location with its close commute to high-paying jobs and globally recognized economic and cultural hubs as the single greatest factor in Rockland's high property taxes. The combination of relatively high tax rates and property values that are among the highest in the country is a recipe for a potentially crippling tax burden. **While many areas have either a high tax rate or high property values, Rockland has both.** But it is clearly factors specific to Rockland that put the burden just over the edge of tolerable for many who live there.

What can be done about it?

On a statewide basis, New York State's property tax cap, with several years of results to evaluate, shows some signs of starting to slow the rate at which real property taxes are increasing, but is unlikely to substantially reduce the existing overall tax burden. Maintaining the property tax cap as a check on spending growth must nonetheless be a priority if the high rate of taxation is the issue that residents wish to address. In addition, recommendations include advocacy for other expense-limiting measures such

¹ As of 2014, according to the U.S. Census Small Area Income and Poverty Estimates, Rockland County's median household income of \$83,162 ranked it as the 54th richest county in the nation (out of 3,194 counties) and the 4th richest county in New York State (Nassau, Putnam, and Suffolk held the top 3 spots). Using data from the American Community Survey may lead to a slightly different ranking, but regardless of the measurement used, Rockland is clearly in the top 1-2% of wealthiest counties nationwide.

as cutting back on costs at the personnel level – for instance, governments and schools could offer early retirement packages and fill vacated positions with younger employees starting at lower base salaries. In welcome news, the Town of Ramapo recently agreed to a new contract with its police department which will require 12 high-ranking officers to retire by 2019 and will reduce the starting salary for new officers by 10%, from \$57,760 to \$52,500.ⁱ Other municipalities and school districts might look to this contract as a model. This report suggests that public officials throughout the county engage in a constant process of evaluating existing spending with an eye toward identifying areas where efficiencies can be found, thereby curbing costs to taxpayers. The report also includes a recommendation that citizens vigilantly monitor the actions of local government and at the very least exercise the most central of American political rights—voting—especially for candidates with credible and serious plans to reduce the tax burden. When it comes to the tax burden, Rockland needs leaders willing to ask the tough questions, “Can we afford the status quo?”, and, “How can we reduce the cost of government while preserving the quality of life for residents?”

ROCKLAND COUNTY BACKGROUND

Founded in 1798, Rockland County is located northwest of New York City on the west side of the Hudson River. It covers an area of 199 square miles and has an estimated 2015 population of 326,037, making it the smallest county in New York State by area, and the third most densely populated county (outside of New York City), with a population density as of 2010 of 1566 people per square mile.²

In a state where population growth has stagnated or even declined in many areas, Rockland is one of the few counties that is still growing. In fact, the March 2016 estimates from the U.S. Census Bureau, show that Rockland County continues to grow, with a 4.6% increase from the 2010 Census to the 2015 American Community Survey estimates. In these estimates, Rockland County ranks 4th in the state for growth from 2010 to 2015 and ranks 2nd in the state in growth over the past year, 2014-2015. A further analysis of the figures by Pattern for Progress showed that Rockland County had a natural increase of over 14,000 persons and a net migration into the county of nearly 800. A natural increase is calculated by subtracting deaths from births; that means Rockland's increase comes from existing individuals and families having children. Rockland's natural increase for this period ranks 4th in New York State after Jefferson County (North Country and home of the military base Fort Drum), Kings County (Brooklyn), and the Bronx. Following Rockland, Queens County is number 5; Orange County is number 6.

There are five towns and 19 villages in Rockland County. Ramapo has the highest population of the five towns, followed by Clarkstown, Orangetown, Haverstraw, and Stony Point. As is stated elsewhere in this report, Ramapo has seen the most growth by far of any of the towns in Rockland County. Of the 86,105 growth in the county's population from 1970 to 2010, **the town of Ramapo accounts for 58%**; Clarkstown accounts for 26%; Haverstraw accounts for 13%; and Stony Point accounts for 3%. Orangetown lost population during this time period. Of the 19 villages, Spring Valley, with a population more than double the Town of Stony Point, is by far the largest village. Haverstraw, Suffern, and West Haverstraw are the other villages with

² Only Nassau and Westchester Counties, with 2,957 and 1,898 people per square mile, respectively, are denser, and Rockland is more than twice as densely populated as the fourth densest county, Erie, which has just 749 people per square mile.

populations over 10,000. In 2015, Rockland County, towns, villages, and school districts collectively budgeted a total of just over \$2.3 billion in expenditures.ⁱⁱ

A NOTE ABOUT THE DATA

Pattern research staff used a number of data sources in the course of compiling this report. These sources include the U.S. Census and the American Community Survey; the Office of the New York State Comptroller; the New York State Education Department; the New York State Association of Realtors as well as municipal and school district budgets, public news sources, and interviews. Methodology used by each of these sources with regard to data such as median income, salaries, home values and other measurements can vary. Variations may be noted throughout the report. However, the research team has noted that even with the variations in data, the numbers are in close proximity to one another and the data demonstrates repeatedly that Rockland County pays among the highest property taxes in the nation. In addition, it should be noted that data whenever possible is the most recent available, though some data can lag behind the current year by several years, especially in the case of national-level data.

PROPERTY TAXES IN ROCKLAND: HOW HIGH ARE THEY REALLY?

The headlines in the spring of 2015 may have been sadly predictable, but they were still unsettling: Rockland County had once again gained notoriety due to its high property taxes. “Second highest property taxes in the nation,” announced a number of publications. As usual, Rockland County was just behind Westchester nationally for this dubious distinction. The ranking released in May 2015 by the real estate website Zillowⁱⁱⁱ put the median property tax bill in Westchester at \$13,842 for 2013, while Rockland came in at \$10,550. Zillow reported that the median property tax bill for the United States in 2013 was just \$2,132, meaning that Rockland residents were paying five times the national median.

According to Zillow^{iv}: “All 10 of the most expensive counties for property taxes, based on the median paid for single-family homes, are in the same vicinity,” in close proximity to New York City.

FIGURE 1

Zillow: Highest Property Taxes in the US	
County	Median tax bill (2013)
Westchester, NY	\$ 13,842
Rockland, NY	\$ 10,550
Bergen, NJ	\$ 9,546
Essex, NJ	\$ 9,288
Nassau, NY	\$ 9,091
Passaic, NJ	\$ 8,978
Union, NJ	\$ 8,926
Morris, NJ	\$ 8,549
Hudson, NJ	\$ 8,407
Hunterdon, NJ	\$ 8,392
Source: Zillow	

Other, more academic sources have reached similar conclusions. The Tax Foundation,^v for instance, put Rockland at number 5 in its national ranking of annual property taxes paid, with 2010 as its reference year. In the Tax Foundation ranking, Westchester still came out on top in taxes paid. Figure 2 shows the top 20 from this source.

FIGURE 2

Property Taxes on Owner-Occupied Housing Ranked by Median Property Taxes Paid, 2006-2010									
State	County	Median Property Taxes Paid on Home	Rank	Median Home Value	Taxes as Percent of Home Value	Rank	Median Household Income	Taxes as Percent of Income	Rank
NY	Westchester	\$ 9,003	1	\$ 556,900	1.6%	340	\$ 111,905	8.1%	5
NY	Nassau	\$ 8,711	2	\$ 487,900	1.8%	188	\$ 105,439	8.3%	4
NJ	Hunterdon	\$ 8,523	3	\$ 446,700	1.9%	118	\$ 113,250	7.5%	9
NJ	Bergen	\$ 8,489	4	\$ 482,300	1.8%	202	\$ 102,417	8.3%	3
NY	Rockland	\$ 8,268	5	\$ 476,900	1.7%	232	\$ 104,048	8.0%	7
NJ	Essex	\$ 8,117	6	\$ 395,700	2.1%	66	\$ 94,893	8.6%	2
NJ	Somerset	\$ 7,801	7	\$ 431,200	1.8%	177	\$ 111,168	7.0%	13
NJ	Morris	\$ 7,707	8	\$ 474,700	1.6%	337	\$ 112,929	6.8%	17
NJ	Passaic	\$ 7,544	9	\$ 382,600	2.0%	91	\$ 85,850	8.8%	1
NJ	Union	\$ 7,443	10	\$ 397,200	1.9%	142	\$ 92,472	8.1%	6
NY	Putnam	\$ 7,331	11	\$ 418,100	1.8%	209	\$ 98,584	7.4%	11
NY	Suffolk	\$ 7,192	12	\$ 424,200	1.7%	259	\$ 95,037	7.6%	8
NJ	Monmouth	\$ 6,917	13	\$ 424,800	1.6%	326	\$ 100,404	6.9%	15
NJ	Hudson	\$ 6,426	14	\$ 383,900	1.7%	283	\$ 85,561	7.5%	10
IL	Lake	\$ 6,285	15	\$ 287,300	2.2%	44	\$ 92,965	6.8%	18
NJ	Middlesex	\$ 6,258	16	\$ 356,000	1.8%	204	\$ 94,075	6.7%	20
NJ	Mercer	\$ 6,245	17	\$ 309,300	1.0%	74	\$ 91,317	6.8%	16
CT	Fairfield	\$ 6,221	18	\$ 477,700	1.3%	695	\$ 102,707	6.1%	34
NJ	Sussex	\$ 6,111	19	\$ 322,400	1.9%	128	\$ 91,214	6.7%	19
VA	Falls Church City	\$ 6,005	20	\$ 641,900	0.9%	1,241	\$ 141,906	4.2%	181
United States		\$ 1,981		\$ 188,400	1.1%		\$ 65,167	3.0%	
source: The Tax Foundation									

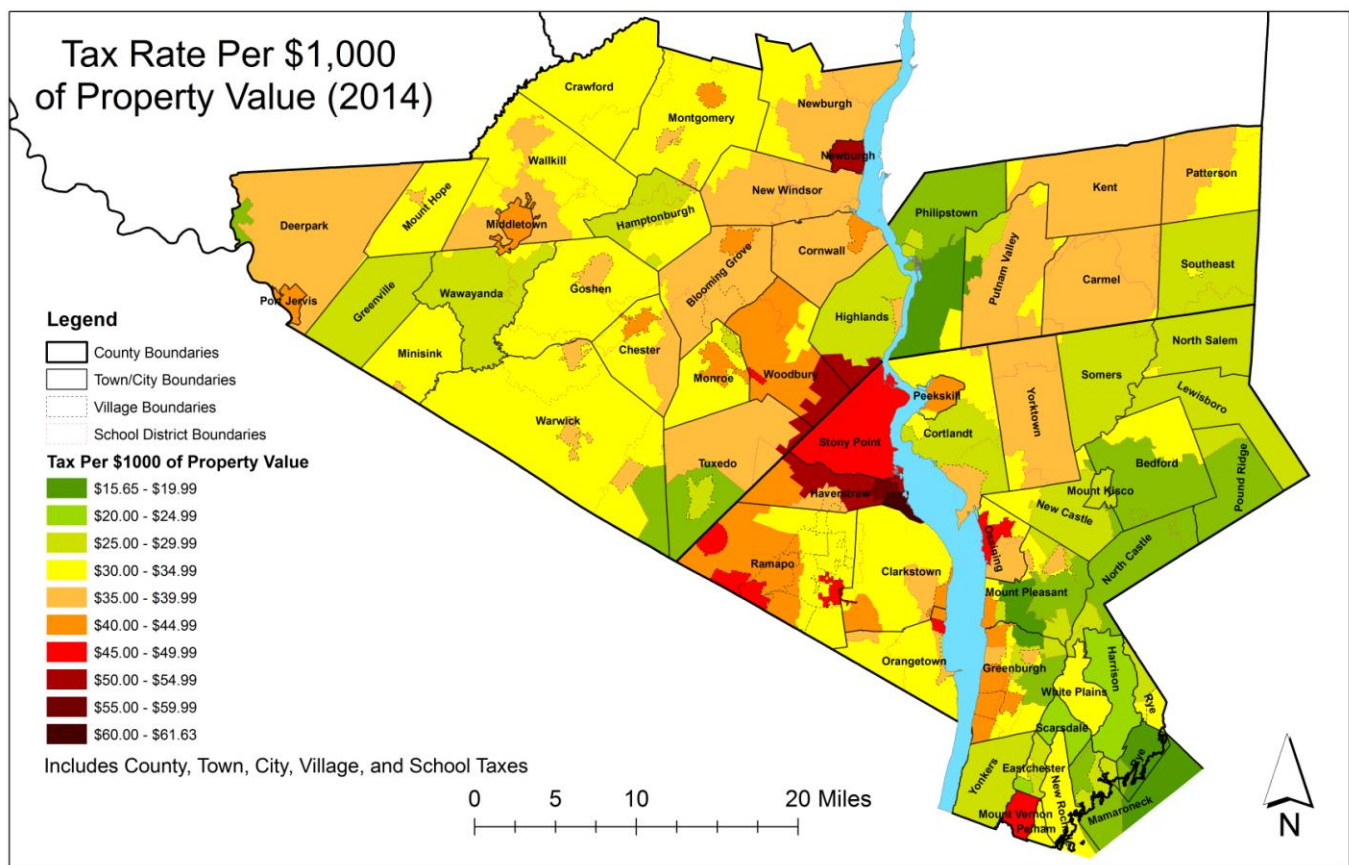
Along the same lines, a November 2013 nationwide analysis by the Tax Policy Center (TPC),^{vi} operated jointly by the Urban Institute and the Brookings Institution, again puts Westchester at number 1 in annual property taxes paid. Rockland is number 5 in the analysis. The details, especially as they relate to taxes paid as opposed to taxes as a percentage of home value are important. See Appendix A.

As the TPC points out, "Property taxes are an important source of revenue for local governments, though effective property tax rates vary substantially by state and region. The counties with the highest property tax burdens tend to be in New York and New Jersey, while the counties with the lowest property tax burdens are located in Alabama

and Louisiana. Most counties levy property taxes that are around \$1,000 per homeowner and below 1 percent of house value."

A regional look at the **tax rate** (dollars paid in taxes per \$1,000 in full property value) shows that some parts of Rockland in the North Rockland School District are taxed at an exceptionally high rate. The Villages of Haverstraw and West Haverstraw have the highest tax rates in the lower Hudson Valley, with homeowners paying around \$60 in local property taxes (for county, town, school, and village combined) for every \$1,000 of property value. Elsewhere in Rockland, the villages of Spring Valley, South Nyack, Sloatsburg, Suffern, and Hillburn stand out as having property tax rates well above the regional average.

FIGURE 3



Data Source: Office of the New York State Comptroller. Map created by Pattern for Progress.

Indeed, across the nation, property taxes, and especially high taxes, are often the subject of scholarly and policy studies. In his article, "3 Things We Can Learn About Property Taxes from a Map^{vii}," Benjamin H. Harris of the Brookings Institution writes:

1. **Property taxes paid, in dollars terms, are highest in the coasts and around inland cities**

In general, property taxes paid are highest on the coasts and around inland cities, especially Chicago and cities in Texas. Nationwide, counties near New York City tend to have the highest property taxes paid, led by Westchester County with an average property tax of \$9,647.

2. **Property taxes paid, as a share of housing value, are highest in the Midwest and Northeast**

When property taxes are expressed as a share of home prices, the distribution looks very different than when the burden is expressed in dollar terms. When expressed as a share of home price, the low home prices in the Midwest raise the property tax burden while the high home prices on the West Coast lower the relative property tax burden.

3. **States without income taxes tend to have higher property taxes**

The states with no or limited income taxes—Alaska, Florida, Nevada, New Hampshire, South Dakota, Tennessee, Texas, Washington, and Wyoming—tended to have higher property taxes in dollar terms. However, the pattern is not always clear cut, with some states—such as California and Illinois—having both an income tax and relatively high property tax burdens.

Harris's first two observations are highly applicable to Rockland's tax situation, though the third point is somewhat less so, because **residents of New York pay both high property taxes and high income taxes, making the tax burden especially onerous**. But points #1 and #2 in Harris's list are key to understanding Rockland County's high ranking.

Proximity to New York City is clearly a major part of the high tax equation, but also part of Rockland's good fortune. Around 18% of Rockland's workforce is employed in New York City, and far more of the workforce have jobs with businesses that have some connection to New York City.^{viii} In other words, there is a price to pay for location adjacent to the global economic engine that is New York City. And few would dispute Rockland County is in a highly desirable market for real estate, high-paying jobs and the amenities attendant to a high quality of life. Therefore, proximity to New York City becomes an important factor to attracting households that can afford the tax burden.

While the Tax Foundation carries only the figures up through 2010, the 2014 data from the New York State Department of Taxation and Finance show that Rockland is second highest in New York when ranked by what is called "all-in" tax numbers, that is, taxes for school, town, county and where applicable, village and city.

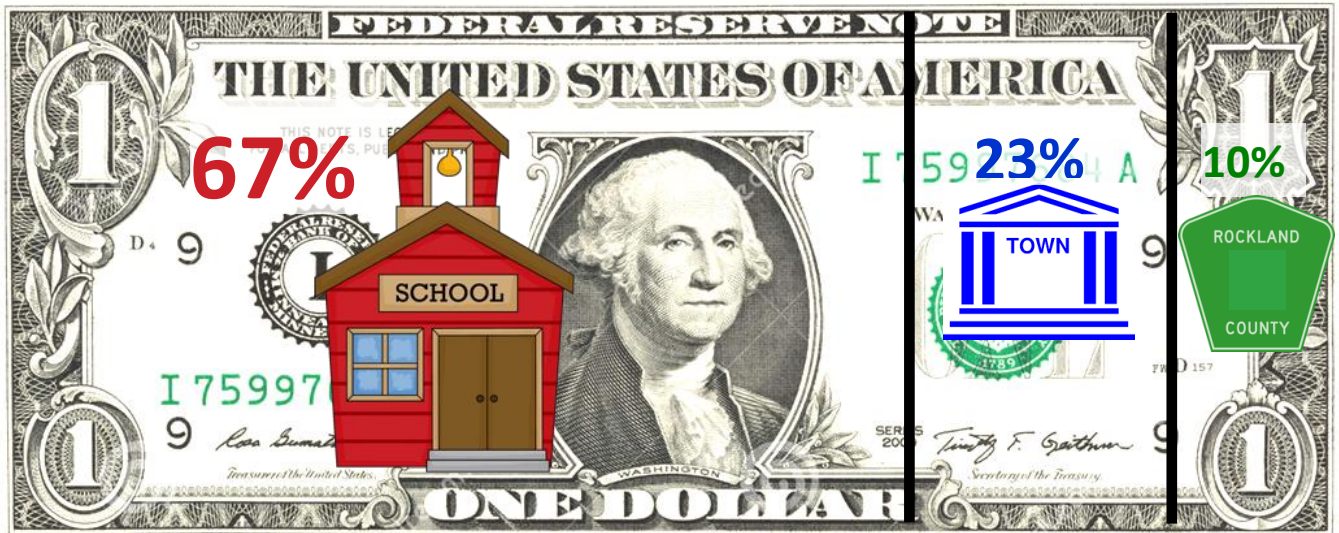
FIGURE 4

New York State Counties, Overall Full-Value Tax Rates (All Taxing Purposes)*					
The Top 10					
Rank for 2014	County	Local Fiscal Year ending 2009	Local Fiscal Year ending 2014	Median Home Sales Price 2014	Estimated Annual All-in Taxes
1	Westchester	\$ 21.90	\$ 30.40	\$ 600,000	\$ 18,240
2	Rockland	\$ 26.00	\$ 36.20	\$ 400,000	\$ 14,480
3	Nassau	\$ 24.10	\$ 31.60	\$ 440,000	\$ 13,904
4	Putnam	\$ 23.40	\$ 31.10	\$ 330,000	\$ 10,263
5	Orange	\$ 24.30	\$ 36.70	\$ 245,000	\$ 8,992
6	Suffolk	\$ 16.80	\$ 22.50	\$ 348,750	\$ 7,847
7	Dutchess	\$ 19.70	\$ 28.70	\$ 260,000	\$ 7,462
8	Ulster	\$ 22.70	\$ 31.50	\$ 209,800	\$ 6,609
9	Tompkins	\$ 30.30	\$ 33.50	\$ 194,500	\$ 6,516
10	Albany	\$ 26.00	\$ 30.80	\$ 200,000	\$ 6,160
source: New York State Department of Taxation and Finance					
*Based on the combination of levies for county, city, town, village, school district and special district purposes					

WHERE DO THE TAXES GO?

Across New York State, public schools require the greatest share of the property tax dollar. Often this amount is 50% or higher. In the Rockland County tax dollar, shown below, school taxes represent 67% of the average tax dollar. In any discussion of tax burden, school taxes far outweigh the other governmental sectors. While it naturally follows that cost controls in schools would have the greatest impact in bringing tax relief, it is also important to explore costs to taxpayers in all taxing jurisdictions especially in a county where the tax burden is comprised of multiple of factors.

FIGURE 5
The Rockland County Property Tax Dollar



Source: NYS Comptroller. Note: Does not include village or special district because many properties are not located in a village or special district. The chart therefore does not represent the percent of tax that is paid by those who live in a village or special district.

WHAT IS THE IMPACT OF HIGH PROPERTY TAXES?

The preceding analysis confirms that Rockland does indeed pay particularly high taxes. This section examines the effect of high taxes on businesses and residents.

Impact on Business

When it comes to taxes and business, the effect is serious but perhaps not quite as critical as is sometimes stated. According to the Urban Institute's January 2016 information brief, "State Tax Incentives for Economic Development:"

Taxes are a consideration in business decisions about location, but they are not the only one. Although firms welcome tax incentives, availability of transportation and low labor costs more often drive business decisions about expansion or relocation. Corporate site selection professionals rank the availability of skilled labor and adequate land and infrastructure higher than they rank tax policy. A comprehensive review of North Carolina incentives, for example found that companies ranked incentives below skilled labor availability, highway access, general tax rates and the regulatory climate (Lane and Jolley 2009). But of the direct actions available to state governments, tax incentives were ranked higher than training programs or financial assistance.^{ix}

The above cited review included, there are numerous – and sometimes conflicting – views on the exact impact of high taxes on business attraction and retention as well as the attraction and retention of families and individuals as residents.

That said, the tax burden in Rockland could possibly overshadow the benefits of location, workforce and transportation. According to Paul Adler, Esq., vice president of commercial real estate for Rand Realty, when it comes to sales or lease agreements in Rockland – and especially in the heavily taxed Haverstraw area – "taxes are an integral part of the equation for consideration to commercial users ... and can be an outright detriment."

What commercial users truly seek is stability and predictability in the property tax outlook so that they can plan appropriately, noted Adler. This is why he looks favorably upon the state's tax cap. Adler said a number of other steps can be taken to achieve that or otherwise mitigate the effect of the tax burden, some of these appear in the recommendations section of this report.

Impacts on Families / Individuals

Anecdotal information points to an ongoing exodus of some families and individuals from Rockland County. It is not uncommon to hear comments about specific people or families deciding to leave Rockland in order to escape high taxes. Data lends some credence to these anecdotes. While Rockland remains a draw for some, it is clear that other households are choosing to move out, or are compelled to. A Marist College Bureau of Economic Research report tells us that "during the period [2009-2014], existing residents created 12,867 new households; migratory activity resulted in a new loss of 4,660 households. Over the period,

- 21,602 household moved into the county;
- 26,262 households moved out of the county.

The report goes on to say that

- Total migratory activity results in a net loss of \$469.07 million in adjusted gross income (AGI)." ix

While there is no direct evidence in the Marist report linking this out-migration to high taxes, a high property tax is widely viewed as a major factor driving up key costs of

living such as the cost of housing. Individuals and families, for instance, might be unable to buy a new house or afford an existing one due to high taxes. It stands to reason the high burden hits seniors and those on fixed incomes especially hard. Similarly, rents for households and individuals can become unaffordable due to high taxes as well.

In the 2015 annual housing report released by the Center for Housing Solutions at Pattern for Progress,^x analysis showed that almost 58% of households in Rockland County earning less than 80% of the area median income are living in housing that is highly unaffordable. **The housing expense level for these owner-occupied households is described as "severely cost burdened"** because they spend more than 50% of their gross income toward the cost of housing. **In this regard, Rockland is the highest severely cost burdened county in the nine counties of the Hudson Valley.**

In the most recent "Out of Reach" report released by the National Low Income Housing Coalition as analyzed by Pattern for Progress,^{xi} fair market cost on a two-bedroom rental in Rockland County for 2016 is \$1,571 per month which is \$975 above what a renter making the average wage of \$11.47 can afford. In fact, a renter would have to make \$62,840 in order for such a rent to be considered affordable. Since landlords generally pass on the cost of property taxes to renters in the form of higher rent payments, the cost of rent can reflect the cost of property taxes to a significant degree.

When housing is unaffordable, households have little to no "disposable" income to spend on other amenities such as entertainment, dining out, and other goods and services that drive local economies. In this sense, the domino effect of high housing costs – caused in large part by high property taxes – can have a negative effect on the local economy.

WHY ARE ROCKLAND'S PROPERTY TAXES SO HIGH?

In order to know what can be done to stabilize or reduce high property taxes, it is first necessary to understand why taxes are so high in the first place. Given the size of the average tax bill, clearly no one factor can fully explain these high taxes.

Proximity to New York City

The Zillow real estate rankings of high property taxes – and numerous other sources – bear out the idea that the greater metropolitan New York City region is home to the highest "all-in" property taxes in the nation. High home values are at the heart of these high taxes and those in turn are by-products of the highly desirable location and the high paying jobs available in New York City.

Reasons Specific to Rockland County Driving High Taxes

While the impact of New York State policies and Rockland's location in a high cost metro area clearly impacts the tax bill, changing state policy is difficult and changing Rockland's location is impossible, so it's important to closely examine what local factors may be contributing to the high taxes in Rockland. While it is difficult to make change at any level of government, local factors may offer the best chance for controlling the tax burden.

High Cost of Public Schools

As noted in the national tax rankings, any county located in New York State will experience a higher-than-average property tax burden. A significant factor in the state's high taxes is the high cost of public schools. New York state, as of 2015, spends \$63 billion per year on public education, according to the state Education Department. Rockland County spends its own share of that at \$1.1 billion annually. As we have noted, that cost accounts for two-thirds of the average property tax bill within the county. In New York state, the annual amount spent per pupil at \$22,556 for the 2014-15 school year is the highest in the nation. While the majority of educational programs are mandated by the state, the way in which those mandates are carried out and the cost of them is a local decision. Of the eight schools districts in Rockland County, seven of them - Nanuet, South Orangetown, Nyack, Ramapo, East Ramapo, Haverstraw-Stony Point and Pearl Rivers - all spend above the state average. Only one - Clarkstown -

spends below the state average and even then it is only a fraction below the state average. See Figure 6.

In addition, the public school districts of Rockland County pay teacher salaries that are higher than much of the nation. As a region, the Hudson Valley has some of the highest school spending in the state and nation. This has a strong relationship to high property values as government and school finance systems are heavily reliant on property taxes.

FIGURE 6

Public School Spending by Rockland Districts, New York State, and U.S. 2014-2015					
Location	Local Revenue	Total Expenditures	Enrollment	Expenditure Per Pupil	% of Total Expense coming from Local Revenue
Nanuet	\$ 57,918,184	\$ 70,375,136	2,385	\$ 29,507	82%
South Orangetown	\$ 69,110,411	\$ 91,935,401	3,266	\$ 28,149	75%
Nyack	\$ 60,791,756	\$ 82,749,848	3,060	\$ 27,042	73%
Ramapo	\$ 95,108,824	\$ 125,786,685	4,707	\$ 26,723	76%
East Ramapo	\$ 145,023,547	\$ 241,808,622	9,204	\$ 26,272	60%
Haverstraw-Stony Point	\$ 129,492,567	\$ 210,167,900	8,019	\$ 26,290	62%
Pearl River	\$ 47,834,005	\$ 64,330,593	2,532	\$ 25,407	74%
Clarkstown	\$ 145,265,340	\$ 190,797,169	8,610	\$ 22,160	76%
New York State	\$ 34,824,575,980	\$ 62,615,771,869	2,776,024	\$ 22,556	56%
U.S. *		\$ 621,000,000,000		\$ 12,401	
Source: New York State Education Department and *the National Center for Education Statistics (data for 2011-12).					
* NOTE: Column 4 includes all-in expenditure, local share plus state and federal aid.					

For any governmental service provider, the greatest expense is very often the overhead associated with employees, starting with salaries. This is very much the case in public schools where teacher salaries and other costs associated with employment are responsible for the lion's share of total costs.

New York state, not surprisingly, pays the highest teacher salaries of any state in the nation, including the District of Columbia.

FIGURE 7

Top 10 Highest Teacher Salaries by State 2014-2015		
	State	Average* Salary
1	New York	\$ 76,409
2	Massachusetts	\$ 73,195
3	District of Columbia	\$ 73,162
4	California	\$ 71,396
5	Connecticut	\$ 70,583
6	New Jersey	\$ 68,238
7	Alaska	\$ 65,891
8	Rhode Island	\$ 64,696
9	Maryland	\$ 64,546
10	Pennsylvania	\$ 63,701
	U.S.	\$ 56,610
Source: NEA (National Education Association). <i>*Data in some states, such as New York, represent a median salary. Some use an average. For the purposes of the ranking the NEA uses the term "average".</i>		

In New York state, the highest median public school teacher salaries generally occur in areas close to New York City; Nassau and Westchester counties are notable for their concentration of high teacher salaries³ as are Suffolk and Rockland counties.

One Rockland County public school district is found on the "top 30" list of median teacher pay in New York state by school district (East Ramapo, with \$114,460) and Rockland County teacher salaries in the other 7 districts still rank in the top one-quarter of salaries in the state. Taking into account that median salary, by definition, means that half the group makes below this salary and half makes above it, **the chart indicates that an estimated 1,500 public school teachers in Rockland County make in excess of than \$100,000 annually.**

³ For instance, Jericho School District in Nassau County had the highest median teacher salary in the state, \$134,762, in 2015.

FIGURE 8

Teachers in Rockland County Public Schools 2015				
District	Number of teachers	Median Salary	Districts Ranking in NYS *	Total Cost of Teacher Salaries
East Ramapo CSD (Spring Valley)	572	\$ 114,460	30	\$ 65,471,120
Haverstraw-Stony Point CSD (North Rockland)	555	\$ 114,013	35	\$ 63,277,215
Nanuet UFSD	188	\$ 110,816	64	\$ 20,833,408
Pearl River USFD	180	\$ 110,771	66	\$ 19,938,780
South Orangetown CSD	262	\$ 109,304	73	\$ 28,637,648
Ramapo CSD (Suffern)	368	\$ 105,564	101	\$ 38,847,552
Rockland BOCES	54	\$ 102,851	114	\$ 5,553,954
Nyack UFSD	252	\$ 97,383	136	\$ 24,540,516
Clarkstown CSD	661	\$ 93,047	149	\$ 61,504,067
Rockland County	3,092	\$ 106,887		\$ 330,494,604
<i>source: NYS Education Department, Syracuse Post Standard newspaper data tool.</i>				
<i>* Out of 717 districts</i>				

Keep in mind that Figure 8 shows median salaries – half of the salaries are higher; half are lower. Teacher salaries at the upper levels can be considerably higher. As reported by the New York State Education Department, full-time classroom teachers earning at the top 5% in salary for the year 2014-15 in Rockland County were as follows:

- Clarkstown ... \$127,118
- East Ramapo ... \$132,346
- Haverstraw-Stony Point (North Rockland) ... \$132,527
- Nanuet ... \$124,327
- Nyack ... \$123,784
- Pearl River ... \$133,140
- Ramapo ... \$130,419
- South Orangetown ... \$127,386
- Rockland BOCES ... \$133,541

Naturally, there are many more teachers than school superintendents, deputies, principals and other administrators, but compensation for these administrative jobs is generally higher than teachers and are therefore worth noting because, in the aggregate, they account for an impactful part of the school budget and ultimately, the school property tax bill.

New York State law requires that school districts file a disclosure report annually on administration compensation above a certain threshold; for the 2016-17 school year, that threshold is \$130,000. Looking at these numbers, Rockland County's eight public school districts will spend an aggregate total of \$27.3 million on 152 positions in 2016-2017. The

top three most expensive positions for each school district is shown below in Figure 9; the detail on all 152 positions appears in Appendix B.

FIGURE 9

Rockland County School District Administrative Compensation of \$130,000 and over Top 3 by position for 2016-17	
CLARKSTOWN (2014-2015 enrollment 8,610)	
Superintendent of Schools	\$ 298,272
Asst. Superintendent & Chief Operating Officer	\$ 250,102
Asst. Superintendent for Personnel & Instruction	\$ 247,667
TOTAL (all 24 positions at \$130,00 and above)	\$ 4,320,781
NANUET (2014-2015 enrollment 2,385)	
Superintendent of Schools	\$ 368,785
Director of Technology	\$ 216,373
Asst. Director of Technology	\$ 185,560
TOTAL (all 13 positions at \$130,00 and above)	\$ 2,885,101
HAVERSTRAW-STONY POINT (2014-2015 enrollment 8,019)	
Superintendent of Schools	\$ 258,757
Asst. Superintendent of Business	\$ 210,271
Asst. Superintendent for Education	\$ 240,935
TOTAL (all 21 positions at \$130,00 and above)	\$ 3,561,378
SOUTH ORANGETOWN (2014-2015 enrollment 3,266)	
Superintendent of Schools	\$ 314,543
Deputy Superintendent	\$ 292,935
Asst. Superintendent for Instruction	\$ 240,555
TOTAL (all 14 positions at \$130,00 and above)	\$ 2,640,375
NYACK(2014-2015 enrollment 3,060)	
Superintendent of Schools	\$ 276,548
Deputy Superintendent	\$ 229,365
Asst. Superintendent for Curriculum & Instruction	\$ 221,085
TOTAL (all 13 positions at \$130,00 and above)	\$ 2,291,810
PEARL RIVER (2014-2015 enrollment 2,523)	
Superintendent of Schools	\$ 295,865
Deputy Superintendent	\$ 249,654
Asst. Superintendent	\$ 227,389
TOTAL (all 13 positions at \$130,00 and above)	\$ 2,392,600
RAMAPO (2014-2015 enrollment 4,707)	
Superintendent of Schools	\$ 329,056
Deputy Superintendent	\$ 241,536
Asst. Superintendent for Instruction	\$ 233,413
TOTAL (all 20 positions at \$130,00 and above)	\$ 3,645,405
EAST RAMAPO (2014-2015 enrollment 9,204)	
Superintendent of Schools	\$ 321,802
Asst. Superintendent for Instruction K-12	\$ 214,690
Asst. Superintendent for Finance	\$ 203,409
TOTAL (all 34 positions at \$130,00 and above)	\$ 5,559,292
Source: NYS Education Department	
Note-The State requires districts to report all administrative positions compensated at \$130,000 annually or above. Includes salary, benefits and other allowances.	

While high taxes play a dominant role in determining high impact budget items such as teacher and administrative salaries, it is important to remember that household income pays the tax associated with the school budget and annual levy. In Rockland, median household incomes are high due to proximity to the New York City job market. However, teacher salaries – i.e., the salary of an individual – often exceed or far exceed household income, which is often the sum of more than one salary.

When salaries of individuals in the public sector far exceed the median household income of the local taxpayer households that pay those salaries, the tax burden can feel particularly onerous and even unsustainable. The median 2014 household income by school district is shown in Figure 10. The overall household median income for Rockland County for 2014 was \$85,808.

FIGURE 10

Median Household Income in Rockland County's 8 Public School Districts and BOCES	
District	Median Household Income
East Ramapo CSD (Spring Valley)	\$ 62,483
Haverstraw-Stony Point CSD (North Rockland)	\$ 84,052
Nanuet UFSD	\$ 99,851
Pearl River USFD	\$ 102,373
South Orangetown CSD	\$ 109,819
Ramapo CSD (Suffern)	\$ 86,878
Rockland BOCES	\$ 85,808
Nyack UFSD	\$ 88,583
Clarkstown CSD	\$ 114,165

Source: American Community Survey (U.S. Census bureau), year 2014 estimates

East Ramapo School District

School districts often face specific challenges that can affect property taxes. Haverstraw, as discussed elsewhere in this report, was significantly impacted by the Mirant / NRG tax assessment settlement. Others have faced similar impacts. The East Ramapo School District, often referred to as a "district in crisis," has faced and will continue to face a set of challenges posed primarily by the dramatic demographic shift within the district.

In short and as documented in the report cited below, the private school enrollment in East Ramapo has grown at an extraordinary pace; since 2005 the private school population in the district has increased by more than 43%. The private school enrollment now outpaces the public school enrollment by a ratio of 3 to 1. As of the release of a specially appointed state monitors' report in 2015,^{xii} there are approximately 32,000 school-aged children in East Ramapo: 8,500 of those students attend the East

Ramapo public schools, and some 24,000 attend private schools – mainly Orthodox Jewish yeshivas.

In addition, the school board is comprised of a majority of Orthodox Jewish members who send their children to yeshiva, a phenomenon that has deeply divided the residents over the proper share of resources that fund the public school district. As a result, legal costs in the board of education budget line have been unusually high, \$3 million more than what could be considered the norm. In addition, the district's special education costs have increased substantially and in another aspect of demographic change, the District has seen a 164% increase in its English language learner population in the past 12 years – an increase which carries another hefty cost. That is just scratching the surface of the unusual East Ramapo circumstance.

What are some of the other associated costs? A large portion of the district's \$28 million (and growing) annual transportation budget is attributable to the expense of transporting students to yeshivas and other private schools, an expense that by federal mandate is borne by the local district. The transportation expense, while a relatively small percentage of the overall budget, is a notable factor in local taxes as are the other costs associated with recent growth. The crisis in the East Ramapo School District has been well documented in any number of sources. For the purposes of this report, a limited further discussion can be found in the recommendations section. It should be noted that the state legislature, as of mid-June 2016, has recognized the unusual circumstances of the East Ramapo District and was prepared to direct \$3 million in additional school aid to the district; that is, however, a fraction of the \$13 to \$15 million that was recommended by the state-appointed monitors earlier in the year.

Tax Rates for School Districts, shown by component Towns and Villages

One result of costly school budgets is very often a high property tax rate. This is the case in Rockland County. In comparison to the county tax rate and the local tax rates for the five towns and 19 villages of Rockland County, the school tax rate is by far the largest single driver in the overall tax picture as has been stated.

In a phenomenon of New York State's multi-layered governmental structure, school districts often cross one or more town lines – resulting in 2910 taxing jurisdictions for school taxes within the state – and so the tax rate for one school district will vary from town to town. As seen below in Figure 11, the highest tax rate in Rockland County is

found in that portion of the Haverstraw-Stony Point School District that is within the Town of Haverstraw; this rate is the fifth highest in New York state. The next highest tax rate is found in the Town of Stony Point and is also for the Haverstraw-Stony Point School District. **The school tax rates in Haverstraw-Stony Point, and parts of the Nanuet, Ramapo and Nyack districts rank in the top 10 percent of tax rates in the state.**

FIGURE 11

Snapshot Date: 9/30/2015		2015 School District Component Tax Data-Rockland County					
Rank within Rockland	Rank within NYS “out of 2,910”*	School District	Town	County of City/Town	% of School in City/ Town	Percent of City/ Town in School	Full Value Tax Rate (Levy per \$1,000)
1	5	Haverstraw-Stony Point	Haverstraw	Rockland	53.2%	80.4%	\$ 36.77
2	7	Haverstraw-Stony Point	Stony Point	Rockland	45.4%	100%	\$ 34.71
3	62	Nanuet Union Free	Orangetown	Rockland	28.8%	7.7%	\$ 28.38
4	81	Ramapo	Ramapo	Rockland	96.3%	35.9%	\$ 27.96
5	82	Ramapo	Haverstraw	Rockland	2.8%	4.1%	\$ 27.96
6	182	Nanuet Union Free	Clarkstown	Rockland	71.2%	12.3%	\$ 26.35
7	274	Nyack	Orangetown	Rockland	41.2%	15.3%	\$ 25.17
8	362	Nyack	Clarkstown	Rockland	58.8%	14.0%	\$ 24.34
9	632	Pearl River	Orangetown	Rockland	100%	30.5%	\$ 22.87
10	1,028	South Orangetown	Orangetown	Rockland	100%	46.5%	\$ 20.22
11	1,076	Clarkstown	Clarkstown	Rockland	100%	66.1%	\$ 20.01
12	1,315	East Ramapo	Haverstraw	Rockland	5.1%	15.5%	\$ 18.92
13	1,316	East Ramapo	Ramapo	Rockland	83.3%	64.1%	\$ 18.92
14	1,317	East Ramapo	Clarkstown	Rockland	11.6%	7.7%	\$ 18.92
		Haverstraw	Highlands	Orange	0.3%	2.4%	\$ 42.79
		Haverstraw	Tuxedo	Orange	0.5%	2.0%	\$ 42.79
		Haverstraw	Woodbury	Orange	0.6%	1.5%	\$ 42.79
		Ramapo	Tuxedo	Orange	1.0%	3.5%	\$ 27.96
		NEW YORK STATE MEDIAN		\$ 18.40			
Source: Office of the NYS Comptroller, http://osc.state.ny.us/localgov/orptbook/ accessed April 13, 2016							
Note: in the school districts of Haverstraw-Stony Point and Ramapo, small percentages (less than 1%) that lie in Orange County Towns have not been ranked							
*The rank above is expressed as “out of 2910”. This large number is the result of the manner in which school district boundaries across the state can stretch across numerous towns and villages and in some cases, several counties.							

High Public Employee Salaries in Rockland's Towns

In Rockland County, a large share of municipal budgets is devoted to personnel expenses – salaries and benefits for the many public employees. Every town in Rockland spends more than half its budget on personnel related expenses, and some, such as Ramapo and Orangetown, spend approximately 70% of the budget on such expenses. Across New York State, “employee salaries and benefits typically comprise more than 50 percent of county operating budgets and more than 70 percent of operating expenditures by municipalities and school districts,” according to an analysis by the Empire Center for New York State Policy.^{xiii} Combined with this report's analysis of municipal budgets in Rockland, it is no exaggeration to suggest that considerably more than 50 cents of every dollar paid in taxes in Rockland is going simply to cover personnel expenses for existing employees in Rockland’s municipal governments and school districts.

For instance, in Rockland’s four largest towns, Clarkstown, Haverstraw, Orangetown, and Ramapo, between 38% and 43% of the town budget in 2015 went to directly paying employees (including salary, overtime, and sick leave). In all four towns an additional 9-13% of the town budget went towards medical and dental benefits for employees, a further 8-9% of the budget went towards pension expenses for current and retired employees, and a further 3-7% went to other personnel-related expenses including Social Security payroll tax, workers compensation payments, and unemployment insurance for seasonal workers. In these four towns, more than \$230 million was spent on personnel related expenses in 2015 alone; collectively these three towns spent just over \$348 million in 2015, meaning that personnel related expenses accounted for a full two thirds of the budget, concurrent with the Empire Center’s analysis.

FIGURE 12

Personnel-Related Expenses as a Share of Municipal Budgets in Rockland County - 2015			
Municipality	Category	Budget Amount	Budget %
CLARKSTOWN	TOTAL BUDGET	\$ 142,651,174	
	Wages and Overtime	\$ 58,172,652	40.8%
	Benefits	\$ 15,481,065	10.9%
	Pension Expenses	\$ 12,026,270	8.4%
	Other Personnel Expenses	\$ 4,362,495	3.1%
	Total Personnel Costs	\$ 90,042,482	63.1%
HAVERSTRAW	TOTAL BUDGET	\$ 42,307,716	
	Wages and Overtime	\$ 15,905,000	37.6%
	Benefits	\$ 3,995,000	9.4%
	Pension Expenses	\$ 3,475,000	8.2%
	Other Personnel Expenses	\$ 2,435,500	5.8%
	Total Personnel Costs	\$ 25,810,500	61.0%
ORANGETOWN	TOTAL BUDGET	\$ 68,197,288	
	Wages and Overtime	\$ 29,155,483	42.8%
	Benefits	\$ 9,252,396	13.6%
	Pension Expenses	\$ 6,126,345	9.0%
	Other Personnel Expenses	\$ 3,486,540	5.1%
	Total Personnel Costs	\$ 48,020,764	70.4%
RAMAPO	TOTAL BUDGET	\$ 95,140,941	
	Wages and Overtime	\$ 39,759,183	41.8%
	Benefits	\$ 12,394,911	13.0%
	Pension Expenses	\$ 7,360,585	7.7%
	Other Personnel Expenses	\$ 6,700,856	7.0%
	Total Personnel Costs	\$ 66,215,535	69.6%
STONY POINT	TOTAL BUDGET	\$ 23,825,499	
	Wages and Overtime	\$ 7,233,123	30.4%
	Benefits	\$ 2,628,914	11%
	Pension Expenses	\$ 1,621,246	6.8%
	Other Personnel Expenses	\$ 1,030,038	4.3%
	Total Personnel Costs	\$ 12,513,321	52.5%
ROCKLAND COUNTY GOVERNMENT	TOTAL BUDGET	\$ 769,873,009	
	Wages and Overtime	\$ 153,633,671	20.0%
	Benefits	\$ 60,621,900	7.9%
	Pension Expenses	\$ 37,043,000	4.8%
	Other Personnel Expenses	\$ 15,671,155	2.0%
	Total Personnel Costs	\$ 266,969,726	34.7%

source: Municipal budget documents from each of the five towns and the County Government.

Data Notes: Different towns compile their budgets differently, so the other personnel expenses line may account for slightly different expenses in each municipality. In general, other personnel expenses include: Social Security payroll tax, life insurance and workers compensation insurance payments, and vacation buybacks. Uniforms and equipment (e.g. guns for police officers) for town employees are not included.

In Rockland County, perhaps no group of public sector employees is as well compensated as law enforcement. As the chart below indicates, compensation for Rockland's police officers is far in excess of the median income in the area. As of 2015, the 163 full-time employees of the Clarkstown Police department earned an extraordinarily high median salary of \$180,307, and **fully 27% of the department was earning over \$200,000**. In Ramapo, 95% of the 103 officers on the police department earned over \$100,000, and **21% earned over \$200,000**; median compensation was over \$171,000. Until he retired in September 2015, Ramapo Police Chief Peter Brower was the highest paid local government employee in New York state, with an annual compensation in his final year of over \$367,000. When it comes to the number of highly paid officers earning over \$200,000, almost every department in Rockland had the vast majority of its members earning in excess of \$100,000 and more than a third earning \$150,000 and up.

FIGURE 13

Rockland County Police Salaries					
Police Department	Median 2014-2015 Compensation	Number of Full-Time Employees	% of Employees Earning over \$100,000	% of Employees Earning over \$150,000	% of Employees Earning over \$200,000
Town of Clarkstown	\$ 180,307	163	85.3%	69.3%	27.0%
Town of Ramapo	\$ 171,274	103	95.1%	80.6%	21.4%
Town of Orangetown	\$ 152,691	76	92.1%	52.6%	7.9%
Town of Stony Point	\$ 152,502	23	87.0%	56.5%	4.3%
Village of Suffern	\$ 150,902	21	81.0%	52.4%	4.8%
Village of Piermont	\$ 147,597	8	87.5%	50.0%	0.0%
Town of Haverstraw	\$ 142,974	68	86.8%	39.7%	1.5%
Village of Spring Valley	\$ 141,658	55	78.2%	32.7%	7.3%
Village of South Nyack	\$ 128,393	8	75.0%	37.5%	12.5%
<i>Data source and notes: SeeThroughNY.net for basic data. However, this data included all employees, not just full time employees, which distorted the median. For purposes of analysis, we treated any employee earning \$30,000 or more as a "full-time employee." While this cut off inevitably may include a few high paid part-time employees and leave out a few full-time employees who were hired mid-year, it give a more accurate picture than looking at every employee with regard to salary. This data also excludes any employees who are not part of the NYS retirement system, although the number of such employees is small, and the number of full time employees who are not part of the Retirement System is essentially, or entirely, non-existent. Compensation includes both base salary and overtime.</i>					

Rockland's police departments are among the highest paid in New York State. Throughout the state, there are 162 city, town, and village police departments with at least 15 full-time employees⁴ and Rockland's seven such police departments⁵ all rank in

⁴ As in the chart above, "full-time employee" was defined as anyone who earned at least \$30,000 in 2015.

the top 25 highest paid (top 15% of departments). Only Nassau County has more departments in the top 25.

FIGURE 14

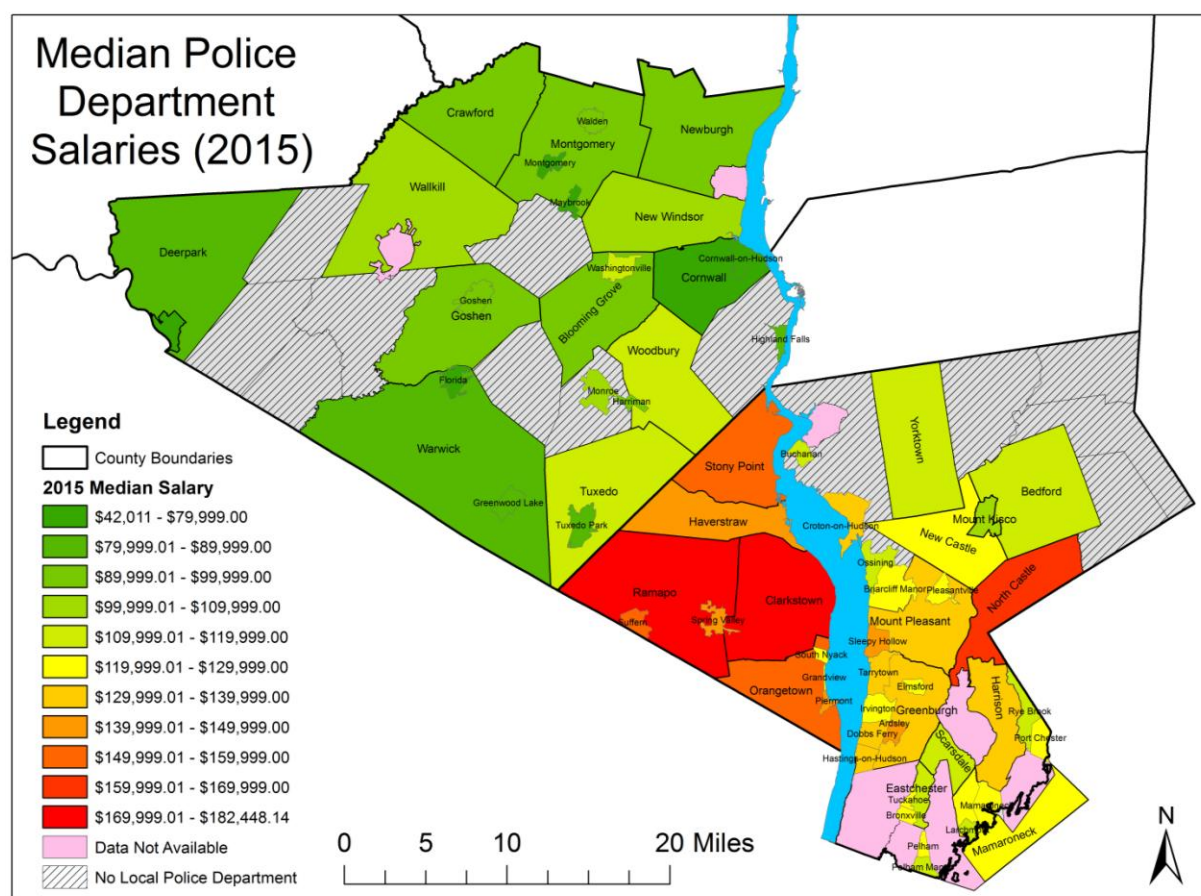
Top 25 Highest Paid Police Departments in New York State				
Rank (out of 162)	County	Police Department	Median 2015 Salary	Number of Full Time Employees
1	Nassau	Village of Rockville Center	\$ 191,579	48
2	Nassau	Village of Lynbrook	\$ 185,955	41
3	Rockland	Town of Clarkstown	\$ 180,370	163
4	Nassau	Village of Northport	\$ 179,572	16
5	Nassau	Village of Old Brookville	\$ 172,576	25
6	Rockland	Town of Ramapo	\$ 171,274	103
7	Nassau	Village of Freeport	\$ 168,648	88
8	Nassau	Village of Lake Success	\$ 168,413	21
9	Nassau	Village of Kings Point	\$ 167,318	22
10	Nassau	Village of Sands Point	\$ 167,051	18
11	Nassau	Village of Old Westbury	\$ 164,878	24
12	Suffolk	Village of Amityville	\$ 164,759	23
13	Westchester	Town of North Castle	\$ 160,590	31
14	Nassau	Village of Hempstead	\$ 158,570	119
15	Nassau	Village of Garden City	\$ 154,941	70
16	Nassau	Village of Floral Park	\$ 154,544	33
17	Rockland	Town of Orangetown	\$ 152,691	76
18	Rockland	Town of Stony Point	\$ 152,502	23
19	Rockland	Village of Suffern	\$ 150,902	21
20	Nassau	Village of Malverne	\$ 149,926	22
21	Westchester	Village of Ardlsey	\$ 144,397	19
22	Suffolk	Town of Southold	\$ 144,389	45
23	Rockland	Town of Haverstraw	\$ 142,974	68
24	Suffolk	Town of Southampton	\$ 142,909	116
25	Rockland	Village of Spring Valley	\$ 141,658	55
Data Source and Note: SeeThroughNY and Office of New York State Comptroller. List excludes police departments with less than 15 full time employees, full-time defined as earning less than \$30,000 in 2015. Salary includes base salary and overtime				

Looking only at the Hudson Valley, every one of Rockland's seven departments with more than 15 employees makes the top 10. Figure 10 below vividly illustrates how Rockland stands out for high police salaries compared to neighboring Orange and Westchester Counties.

⁵ The Piermont and South Nyack departments each have fewer than 15 employees and are not included in this analysis.

In 2015, there were 525 full-time employees working for Rockland's nine police departments; 87% of these employees earned over \$100,000, including **59% who earned over \$150,000**, and **15% who earned over \$200,000**. The percent of employees earning over \$100,000 is the third highest of any county in the state (trailing only Nassau and Suffolk), the percent earning over \$150,000 is higher than every other county save Suffolk, and **the 15% of employees earning over \$200,000 a year is the highest in New York State.**⁶

FIGURE 15



Data Source: Salary data from SeeThroughNY and New York State Comptroller's Office. Map created by Pattern for Progress.

The high cost of public employee salaries in Rockland, including public school teachers, derives from both state policies (e.g. the Triborough Amendment) and the high cost of living in the NYC area. In short, the Triborough Amendment can be viewed as

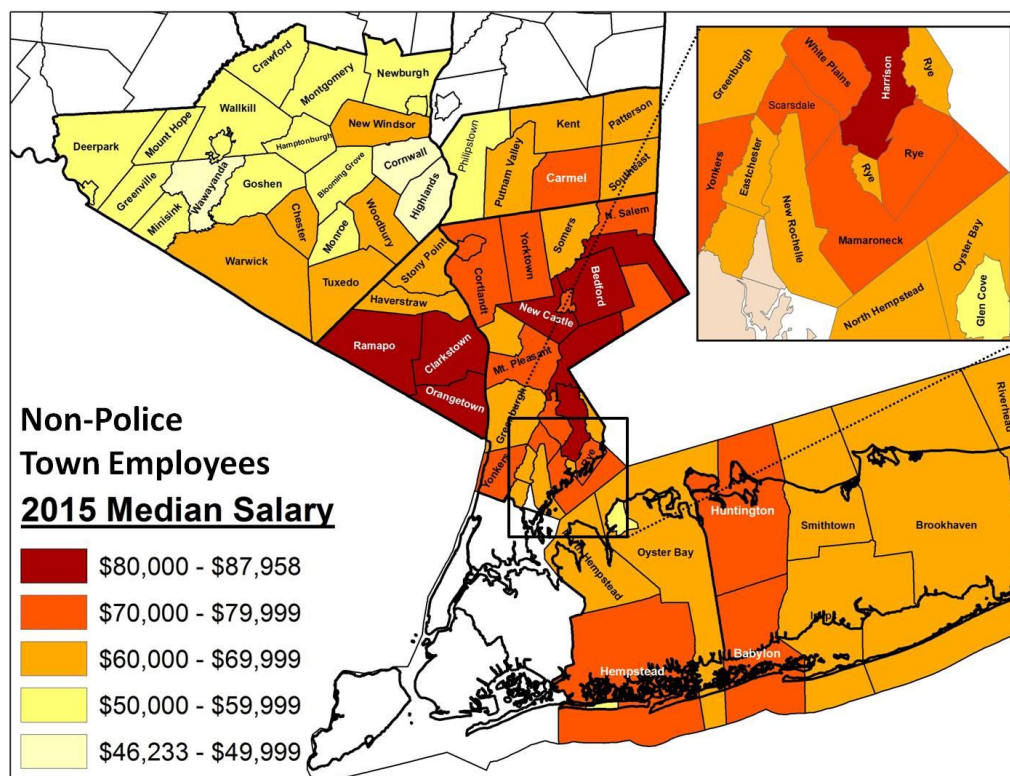
⁶ It should be noted, however, that relative to nearby New York metro area counties, very few villages in Rockland, just 4 of 19 (21%) maintain their own police departments. In contrast, 14 of Orange County's 19 villages (74%), 2 of Putnam's 3 villages (67%), 6 of 8 Dutchess County villages (75%), and 100% of Westchester's 23 villages have their own police departments. On Long Island, 30 of the 104 villages (29%) have their own police departments.

disincentivizing unions (especially police and teachers unions) from negotiating following the expiration of contracts. See Appendix C for a short explanation of the Triborough Amendment. While it is true the Triborough Amendment can explain high public salaries in part, it applies to New York state as a whole and cannot fully explain the unusual instance of high salaries in Rockland.

For non-police government employees in Rockland, median salaries are far lower, **although still among the highest in the region.** Clarkstown again tops the list; its 294 full-time non-police employees earned a median salary of \$87,273 in 2015, and 31% of employees earned above \$100,000.⁷ Clarkstown's median salary for non-police employees ranked 2nd highest in New York State in 2015 – only the 32 employees of the Westchester town of Lewisboro, with a median salary of \$87,958, earned slightly more. Orangetown and Ramapo were not far behind, with median employee salaries of \$84,931 (3rd highest in NY) and \$84,150 (6th highest in NY) respectively.

⁷ As with the preceding section on police salaries, data is from SeeThroughNY and the New York Comptroller's office, employees who are not part of the New York state retirement system are not included, "salary" includes both base pay and overtime, and "full time employees" are defined as those making over \$30,000.

FIGURE 16



Data Source: SeeThroughNY and NY State Comptroller's Office. See notes on salary and full-time employees in previous sections. Map created by Pattern for Progress.

The salaries paid to employees in Rockland's many villages are generally noticeably lower than those paid to town and county employees. In 15 of Rockland's 19 villages, the median full-time salary is \$65,000 or less,⁸ and only 17 out of 294 (6%) full-time village employees in Rockland earned more than \$100,000 in 2015. In contrast 197 out of 743 (27%) non-police town employees, and 386 of Rockland County Government's 2,210 employees (17%), earn over \$100,000. Also worth noting is that municipal employment at the village level is generally quite limited; just 7 of Rockland's villages have 10 or more full-time employees, and only 5 of these have more than 15. And while the salaries of town employees in Rockland are among the highest in New York state, village employee salaries in Rockland, while high relative to many upstate villages, are lower than most suburban villages in nearby counties. For instance, the Village of Nyack has the highest median salary of any village in Rockland, at \$73,916, but 16 of 23 villages in Westchester, 3 of 19 villages in Orange County, and many villages on Long Island have higher median salaries. The village in Westchester with the lowest median

⁸ And in one of the villages to exceed that total--New Square--there are only 3 employees.

salary, Hastings-on-Hudson, still has a higher median salary than 16 of the 19 villages in Rockland.

FIGURE 17

Median Salaries for Rockland Municipal Governments			
Municipality	Median 2015 Salary	Number of Full Time Employees	% of Employees Earning over \$100,000
Town of Clarkstown	\$ 87,273	294	31.3%
Town of Orangetown	\$ 84,931	173	24.3%
Town of Ramapo	\$ 84,150	217	28.1%
Village of Nyack	\$ 73,916	38	7.9%
Village of New Square	\$ 72,960	3	33.3%
Village of South Nyack	\$ 66,781	7	14.3%
Village of West Haverstraw	\$ 65,640	24	4.2%
Town of Haverstraw	\$ 61,730	68	10.3%
Town of Stony Point	\$ 60,800	59	3.4%
Village of Suffern	\$ 60,714	47	14.9%
Village of Sloatsburg	\$ 60,167	12	8.3%
Village of New Hempstead	\$ 60,152	2	0
Village of Kaser	\$ 59,334	2	0
Village of Haverstraw	\$ 59,178	30	0
Village of Upper Nyack	\$ 59,121	6	0
Village of Montebello	\$ 58,861	4	0
Village of Piermont	\$ 56,345	11	9.1%
Village of Grandview	\$ 54,290	1	0
Village of Chestnut Ridge	\$ 52,258	4	0
Village of Hillburn	\$ 51,045	5	0
Village of Airmont	\$ 50,753	9	0
Village of Spring Valley	\$ 48,735	82	2.4%
Village of Wesley Hills	\$ 42,091	5	0
Village of Pomona	\$ 39,484	2	0
Rockland County Government	\$ 65,459	2,120	18.2%
<i>Data Source: SeeThroughNY and NY State Comptroller's Office. See notes on salary and full-time employees in previous sections</i>			

A POORER POPULATION: COUNTY MEDICAID PAYMENTS

Counties in New York state are burdened by the cost of Medicaid more than in any other state. While many states in the U.S. do require a county share, none of them mandate a county to pay the large percent of the state's Medicaid costs that New York does.

Information from the New York State Association of Counties puts this in context: In 2013, California's counties contributed \$1 billion to their state's Medicaid program. New York state counties contributed \$7.4 billion. Due to the cap that is now on the county share, last year, in 2015, New York state counties again provided \$7.4 billion. The state funded \$17.7 billion. The federal government provided the rest of the funding for the program. California's share is the next highest after New York. All other states have at most a minimal share.

The Medicaid mandate is by far the costliest of the state mandates that are brought to bear on county government budgets; it has impacted Rockland County fairly significantly and it has been growing.

EXCESSIVE MEDICAID AND SOCIAL WELFARE PAYMENTS?

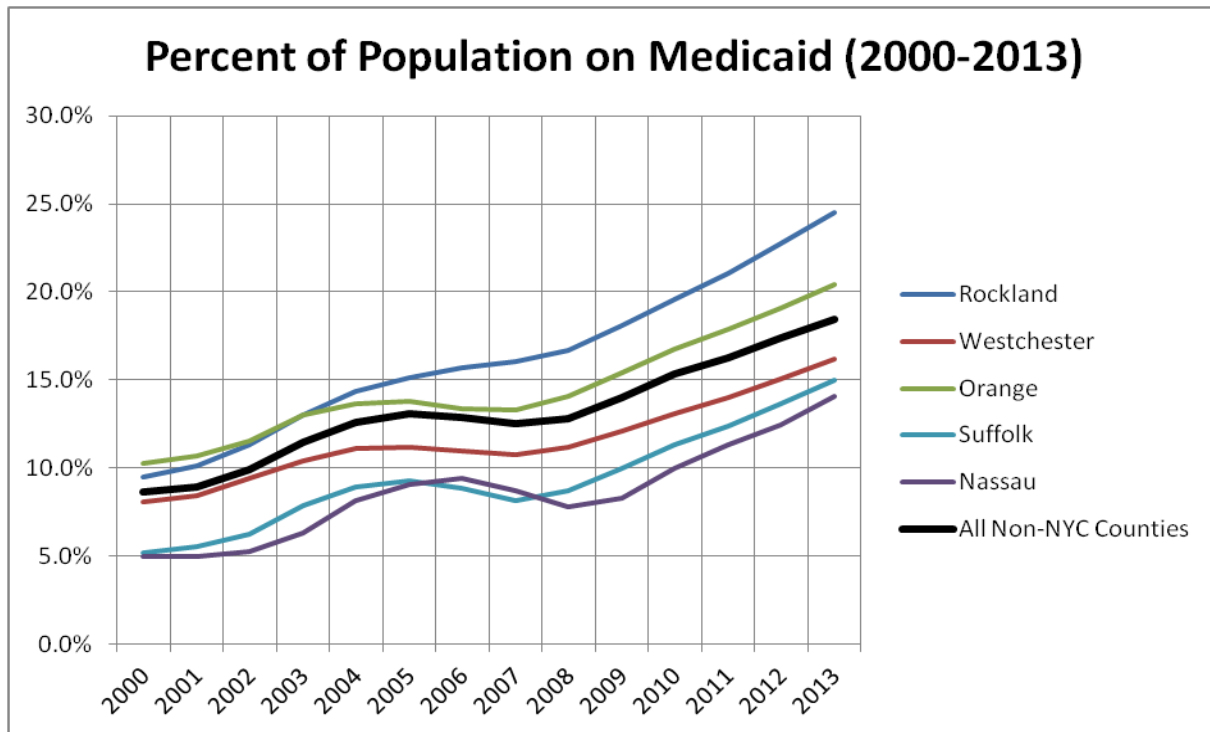
The number of Rockland County residents receiving Medicaid and Social Services is quite high.⁹ According to the most recent figures from the New York State Department of Health, 24.2% of Rockland residents were enrolled in the Medicaid program as of 2013.^{xiv} Statewide, excluding New York City, just 18.6% of state residents are enrolled in Medicaid, meaning that Rockland's 24.2% rate is significantly higher than average for locations outside of New York City.

Since 2000, the percent of Rockland residents enrolled in Medicaid has increased by about 250%, **more than doubling from 9.5% in 2000 to 24.5% in 2013**, the most recent year for which consistent state numbers are available. During that same period, Rockland has **gone from having the 31st highest percent of residents on Medicaid to having the 8th highest in New York State**. The trend of growing Medicaid rolls is not confined to Rockland; from 2000-2013, the percent of New York State residents on Medicaid in the 57 counties outside New York City also rose significantly, from 8.6% to 18.4%. Every county in New York State has seen significant increases in the share of residents enrolled in Medicaid during this period, and more than two thirds of counties have seen the percentage of their residents on Medicaid more than double since 2000. Still, **Rockland's growth stands out**: Only one other county (upstate Montgomery

⁹ The most recent American Community Survey data from the US Census shows that 10% of Rockland's population has no health insurance, while 90% of Rockland's population is insured. Of the 90% who have insurance, 33% are classified as having "public coverage" and 67% as having "private coverage". Since 10% of Rockland's population lacks any health care, it is true that one third of **insured** Rocklanders, equal to 30% of all residents, have "public coverage." Importantly, however, **public coverage as defined by the Census Bureau does not mean only Medicaid**. It also includes non means-tested programs such as Medicare, and VA health coverage among a number of other public programs.

County) saw a larger growth in percent of residents on Medicaid than Rockland's 15% growth from 9.5% in 2000 to 24.5% in 2013, and only two counties (Suffolk and Nassau) have seen a faster rate of growth (the percent of residents enrolled in Medicaid has nearly tripled in both Long Island Counties since 2000, although it remains lower than Rockland's percentage).

FIGURE 18



Source: New York State Department of Health

Among the nine New York counties within the Metro area, several of which have among the lowest Medicaid rates in the state, Rockland's high Medicaid rate is especially notable. It is 3.8% greater than the third highest Metro Area county, Orange, and more than triple Putnam County's rate.

FIGURE 19

Medicaid Rates for New York Metro Area Counties			
Statewide Rank (out of 57)	County	% of Residents Enrolled in Medicaid	NYC Metro Area Rank (out of 9)
4	Sullivan	25.7%	1
8	Rockland	24.2%	2
28	Orange	20.4%	3
38	Ulster	18.1%	4
47	Westchester	16.1%	5
52	Suffolk	14.9%	6
53	Nassau	14.0%	7
54	Dutchess	13.1%	8
57	Putnam	6.6%	9
Source: New York State Department of Health			

ROCKLAND'S POVERTY TREND

As Rockland's population has grown over the past 50 years, the percent of people living below the federal poverty line has also increased. Since 1970, **the poverty rate in Rockland has more than doubled**, rising from 5.5% in 1970 to an estimated 14.1% as of 2014, the most recent year for which data is available. Since 1960, the county has also gone from having the 3rd lowest to the 3rd highest poverty rate among ten counties in the northern half of the NYC Metro Area. As recently as 1990, Rockland's poverty rate (6.4%) was lower than Westchester County (6.8%) and just slightly above affluent Fairfield County (6.1%). By 2014, Rockland's poverty rate (14.7%) was well above Westchester (10.4%) and Fairfield (9.0%) Counties and was approaching rural, economically distressed Sullivan County (16.3%) and urban Passaic County (18.2%) as the highest poverty counties in the northern part of the metro area.

FIGURE 20

Poverty Rate for New York Metro Area Counties (1960-2014)							
Rank	1960	1970	1980	1990	2000	2010	2014
1	Sullivan 20.3%	Sullivan 12.5%	Sullivan 15.1%	Sullivan 13.4%	Sullivan 16.3%	Sullivan 17.2%	Passaic 18.2%
2	Ulster 15.8%	Ulster 10.8%	Passaic 12.8%	Passaic 10.0%	Passaic 12.3%	Passaic 15.8%	Sullivan 16.3%
3	Orange 15.6%	Orange 10.0%	Ulster 11.2%	Orange 9.3%	Ulster 11.4%	Ulster 12.9%	Rockland 14.1%
4	Dutchess 12.3%	Passaic 9.3%	Orange 10.0%	Ulster 8.6%	Orange 10.5%	Rockland 12.8%	Ulster 13.7%
5	Passaic 11.6%	Dutchess 7.4%	Fairfield 7.5%	Westchester 6.8%	Rockland 9.5%	Orange 11.7%	Orange 13.4%
6	Putnam 11.0%	Fairfield 6.2%	Dutchess 7.3%	Rockland 6.4%	Westchester 8.8%	Westchester 9.3%	Westchester 10.4%
7	Fairfield 9.2%	Westchester 6.2%	Westchester 7.1%	Fairfield 6.1%	Dutchess 7.5%	Dutchess 9.1%	Dutchess 10.2%
8	Rockland 8.6%	Putnam 6.1%	Rockland 6.2%	Dutchess 5.4%	Fairfield 6.9%	Fairfield 8.8%	Fairfield 9.0%
9	Westchester 8.0%	Rockland 5.5%	Putnam 4.1%	Bergen 3.9%	Bergen 5.0%	Bergen 6.6%	Bergen 7.6%
10	Bergen 5.4%	Bergen 4.1%	Bergen 4.1%	Putnam 3.6%	Putnam 4.4%	Putnam 5.8%	Putnam 6.3%

Data sources: US Decennial Census (1960-2000 data); US Census American Community Survey (2010 & 2014).

Poverty in Rockland is not evenly distributed throughout the county, and Rockland's growing poverty rate is largely a result of high levels of poverty in Ramapo, whose 24.1% poverty rate in 2014 was more than double Haverstraw's 10.6% poverty rate, and more than triple the poverty in Rockland's other towns (Clarkstown ... 5.9%; Orangetown ... 7.3%; Stony Point ... 5.5%). Since 2000, poverty rates have risen in all of Rockland's towns except Haverstraw (where the 2014 poverty rate of 10.6% exactly matched the rate from 2000), but while poverty rates have climbed only a little in Clarkstown (from 3.8% to 5.9%), Orangetown (from 4.8% to 7.3%), and Stony Point (from 3.7% to 5.5%), they have risen dramatically in Ramapo (from 16.3% to 24.1%).

For the increasing number of Rockland families living below the poverty line, and the others who fall just above the poverty line, paying high property tax or rent payments is surely a struggle. Additionally, **the increasing number of Rockland families living below the poverty line, is correlated with a growing demand for Medicaid and other social welfare services. This means higher costs for Rockland County government—**

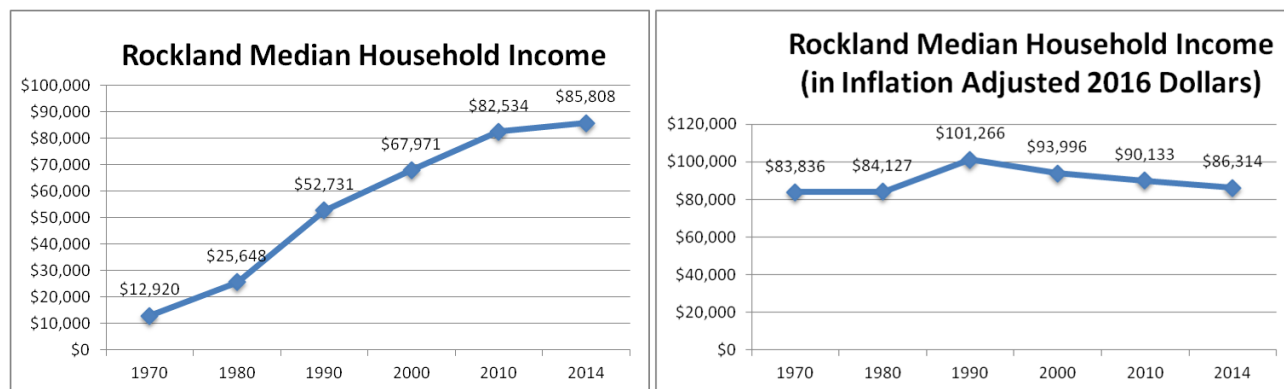
some of which will presumably be passed on to all county residents via property tax bills.

STAGNATING MEDIAN INCOME

At the same time that poverty rates in Rockland have risen, inflation-adjusted median income has stagnated. Since 1970, Rockland's median household income as reported by the US Census and American Community Survey has risen from \$12,920 to \$85,808 by 2014. However, this data, which would appear to paint a picture of steady, significant income growth, is deeply misleading. Accounting for inflation and increases in the cost of living, Rockland's median household income peaked in 1990 at \$101,266 (in 2016 dollars) and has been declining ever since; as of 2014, Rockland's median household (\$86,314) income remained only marginally higher than the 1970 figure (\$83,836) in inflation adjusted dollars.¹⁰

FIGURE 21

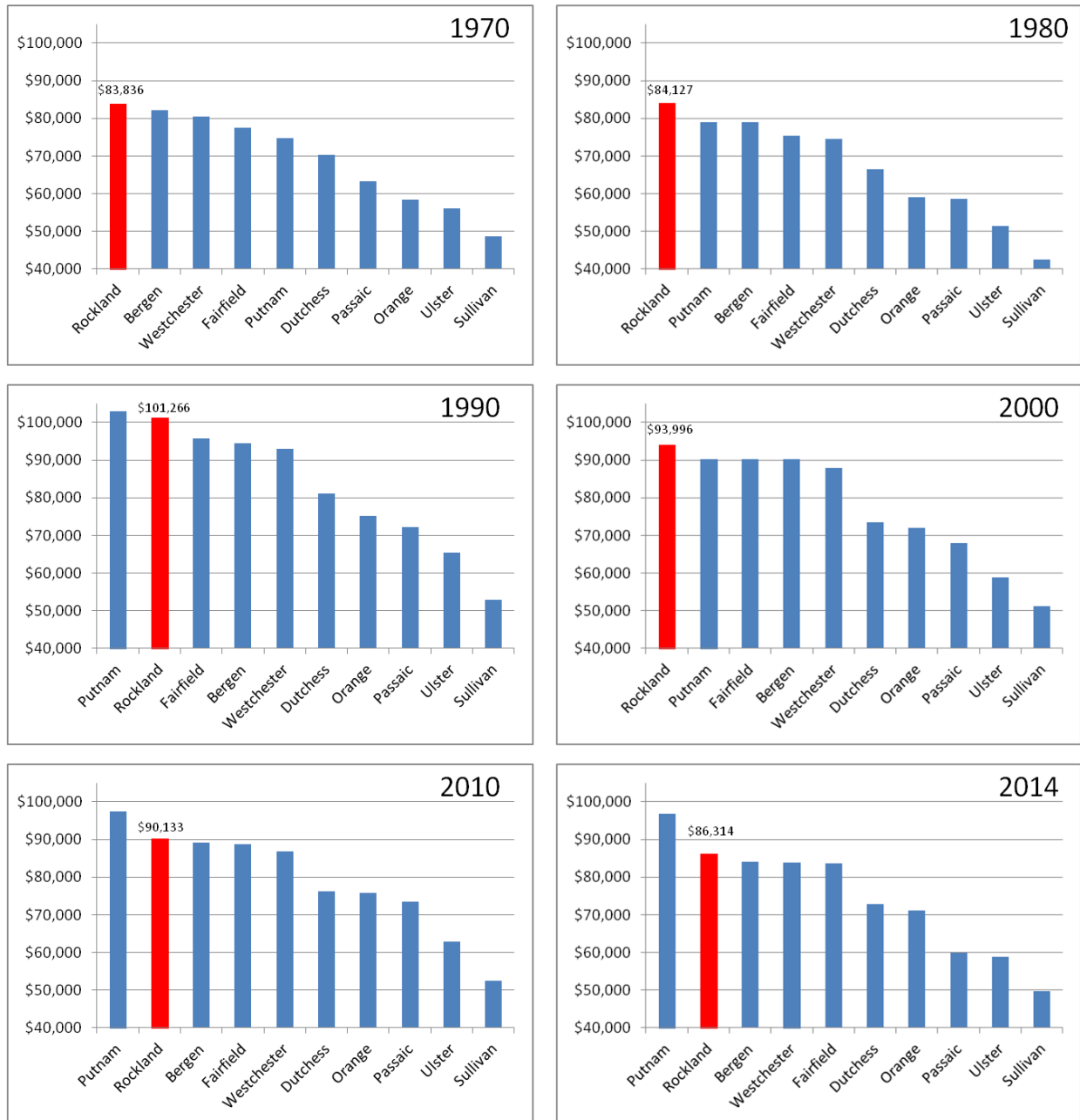
ROCKLAND COUNTY MEDIAN INCOME (CONSTANT DOLLARS AND INFLATION ADJUSTED)



¹⁰ Inflation adjusted figures calculated using the Consumer Price Index inflation calculator from the U.S. Department of Labor, Bureau of Labor Statistics (http://www.bls.gov/data/inflation_calculator.htm)

FIGURE 22

ROCKLAND MEDIAN HOUSEHOLD INCOME 1970-2014 (INFLATION ADJUSTED 2016 DOLLARS)

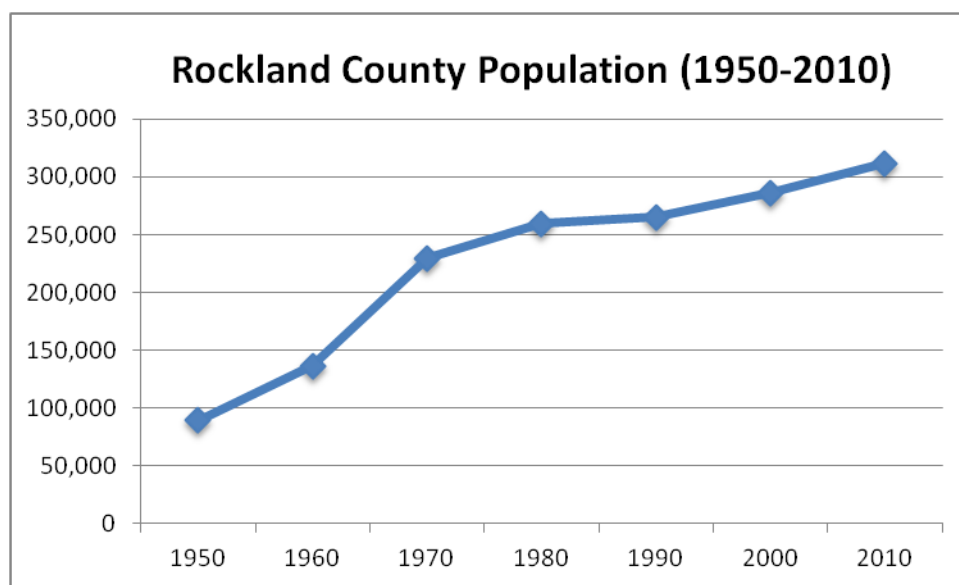


Sources: US Decennial Census (1970-2000); American Community Survey (2010 & 2014); Bureau of Labor Statistics CPI Inflation Calculator

DEMOGRAPHIC CHANGES IN ROCKLAND

The opening of the Tappan Zee Bridge, Thruway, and Palisades Parkway in the 1950s fueled a two-decade long population boom in Rockland County. From 1950 to 1970, the county's population more than doubled, from just over 89,000 in 1950 to nearly 230,000 in 1970. Since then, the county has continued to grow, although at a much slower pace than the early postwar decades. After adding 140,000 residents in just 20 years, the county added 82,000 additional residents from 1970 to 2010.

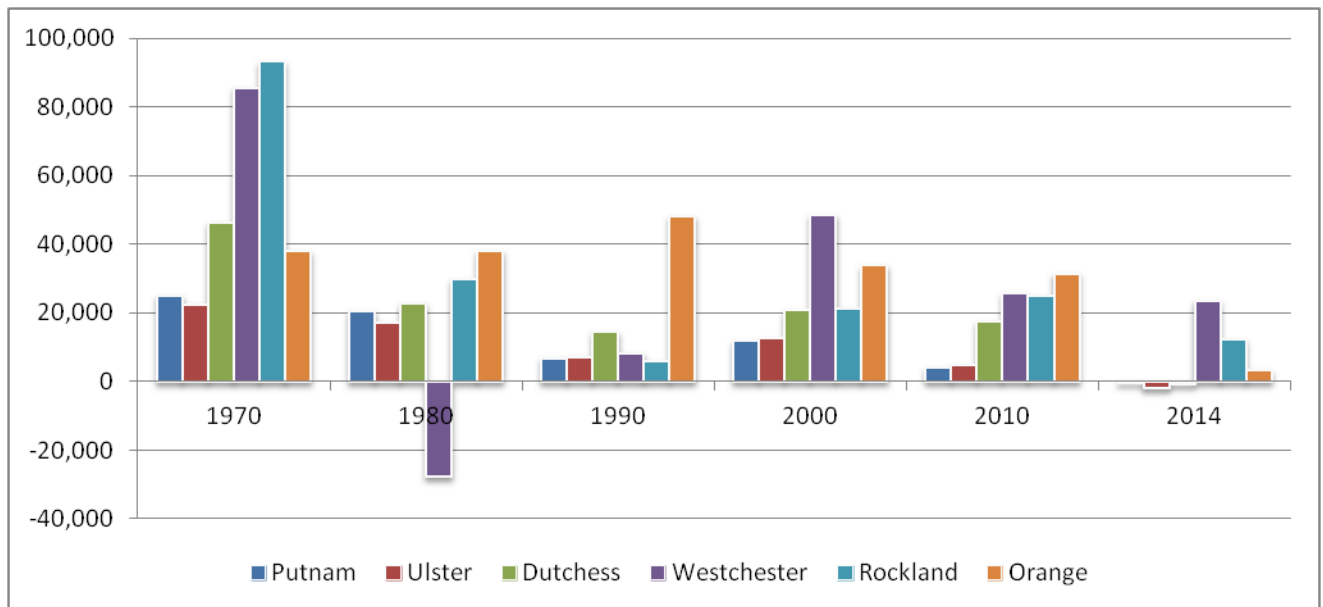
FIGURE 23



Rockland County's growth surge from 1950-1970 though substantial, was not atypical of suburban counties in the New York Metro area. Like Rockland, Nassau County, more than doubled in population, from 673,000 to 1.4 million, between 1950 and 1970; Suffolk County quadrupled its population from 276,000 to 1.12 million; Bergen grew by 66% from 539,000 to 897,000, Orange by 46% from 152,000 to 222,000, and Westchester by 42% from 626,000 to 894,000, to cite a few examples. However, **Rockland's sustained growth since 1970 has been less typical**; some suburban counties (Westchester and Bergen) have barely grown at all since 1970, while at least one (Nassau) has actually lost population over the last 40 years. Rockland and its neighbors to the north in the Hudson Valley (Orange, Putnam, Dutchess, and Ulster) continued growing steadily from 1970-2010, but the most recent Census numbers suggest that while Rockland, Orange, and Westchester continued growing from 2010-2014 (but at a much slower pace), Ulster, Putnam, and Dutchess have stagnated or lost population.

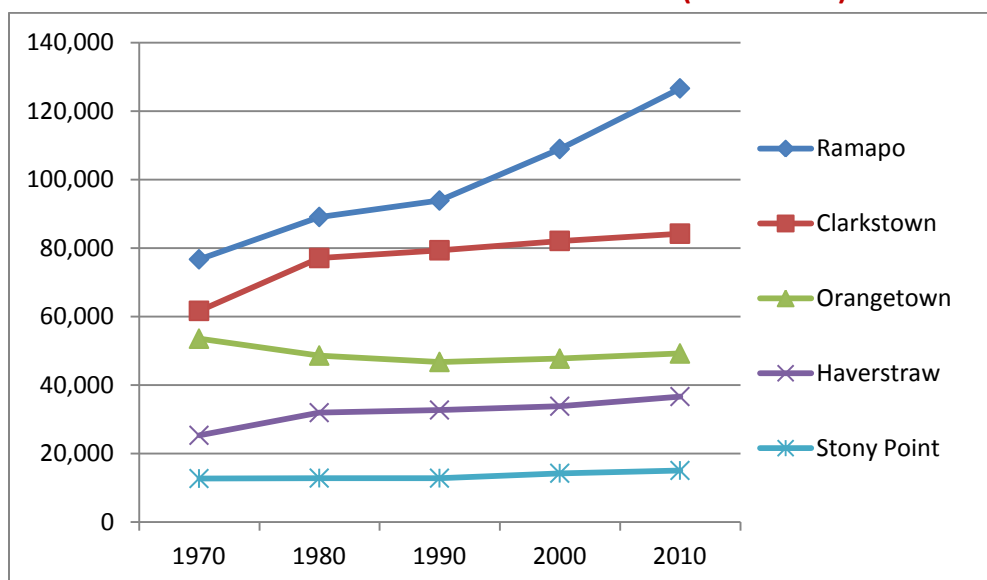
FIGURE 24

HUDSON VALLEY POPULATION GROWTH 1970-2014 (INCREASE FROM PREVIOUS CENSUS)



Rockland's population growth over the past 40 years has not been evenly distributed throughout the county. While Ramapo's growth has been sustained, and even seems to be accelerating in the past twenty years (after growing by only 5% from 1980-1990, Ramapo grew by 16% a decade from 1990-2010), this pattern has not been repeated elsewhere in the county. Clarkstown and Haverstraw experienced dramatic growth (25% in Clarkstown and 26% in Haverstraw) from 1970 to 1980, but have grown much more slowly since (Clarkstown has grown only 9% since 1980, and Haverstraw only 14.7%). Stony Point's population has been fairly stable, and Orangetown has actually lost population since 1970.

FIGURE 25
ROCKLAND POPULATION GROWTH BY TOWN (1970-2010)



In total, Rockland's population grew by 86,105 from 1970 to 2010, **with Ramapo accounting for 58% of the growth**, and Clarkstown accounting for 26%; Haverstraw accounted for 13% of the growth, and Stony Point accounted for 3%. Orangetown, as noted above, lost population during this time period.¹¹

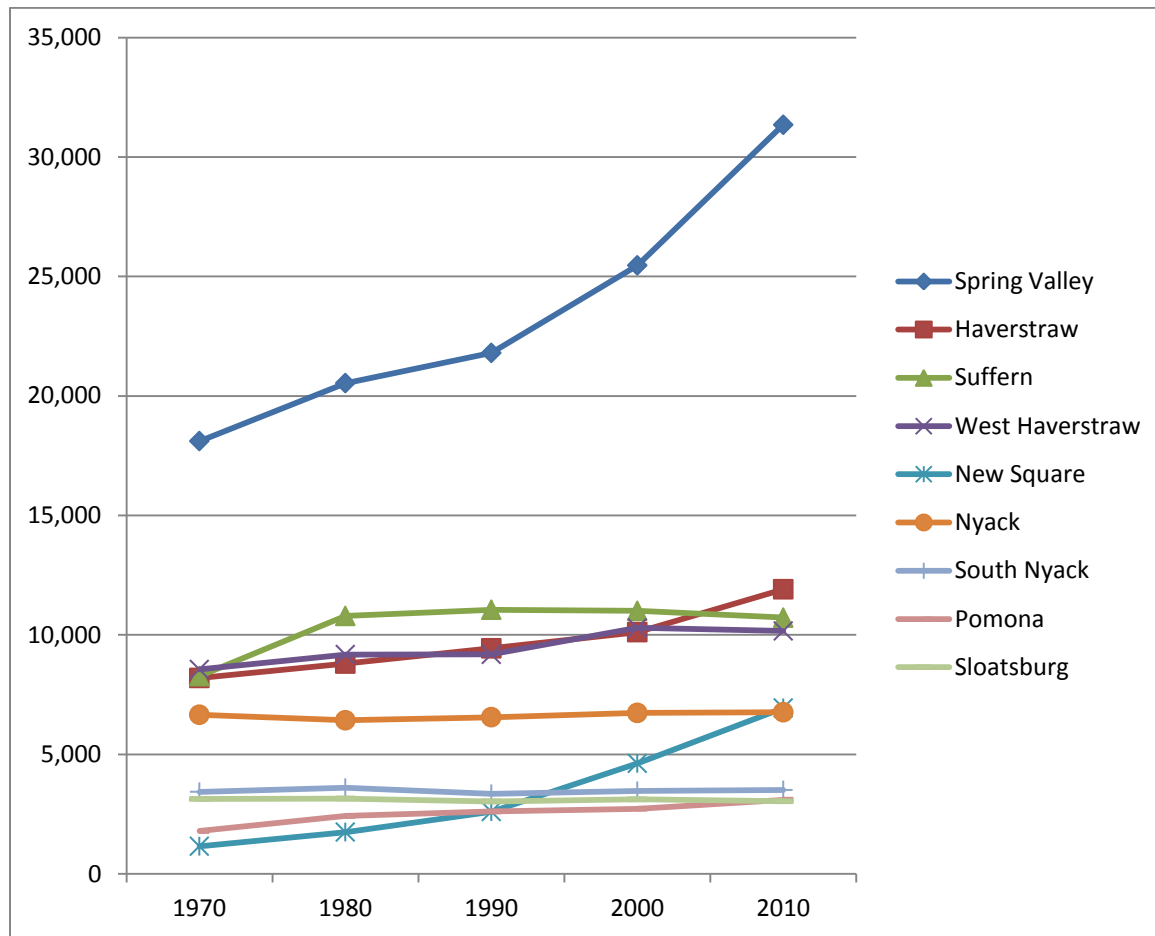
As a result of these varying growth patterns, Ramapo now makes up a much higher, and Orangetown a much lower, percent of the county population than in 1970.¹² Clarkstown, Haverstraw, and Stony Point today account for about the same share of the county's population as they did in 1970.

At the village level, the data shows a similar pattern, with some villages, notably Spring Valley, New Square, and Haverstraw seeing rapid and sustained growth, while other villages, such as Nyack, have seen little, or only modest growth since 1970.

¹¹ The decline took place from 1970-1990. Since 1990, Orangetown's population has grown, although at a slower rate than any other Rockland town.

¹² Ramapo accounted for 33% of the county population in 1970, but by 2010, 41% of Rockland residents lived in Ramapo; Orangetown has fallen from 23% of the county population to 16% during the same period.

FIGURE 26
ROCKLAND POPULATION GROWTH BY VILLAGE (1970-2010)



Data note: Only villages in existence as of 1970, and with populations of at least 3,000 as of 2010 are shown.

COUNTY FISCAL ISSUES

Pattern for Progress and others chronicled the downward spiral of Rockland's county government finances over the course of numerous years culminating in the county-level fiscal crisis of 2011-12. Several years of overestimations on sales tax and other revenues gave way to deficit financing practices. Ultimately, with the county close to bankruptcy, the New York State Legislature authorized \$96 million in deficit financing in 2013. These bonds added to an accumulation of debt. While the county tax is one of the smallest on the local real property tax bill, it is clear that, at two-to-three times the amount of debt carried by neighboring and similar-sized counties, Rockland's county debt and the debt service that goes along with it is a factor in the real property tax

burden. The County's 2016 budget contains over \$70 million in debt service^{xv}, almost 10% of the total \$734 million budget.

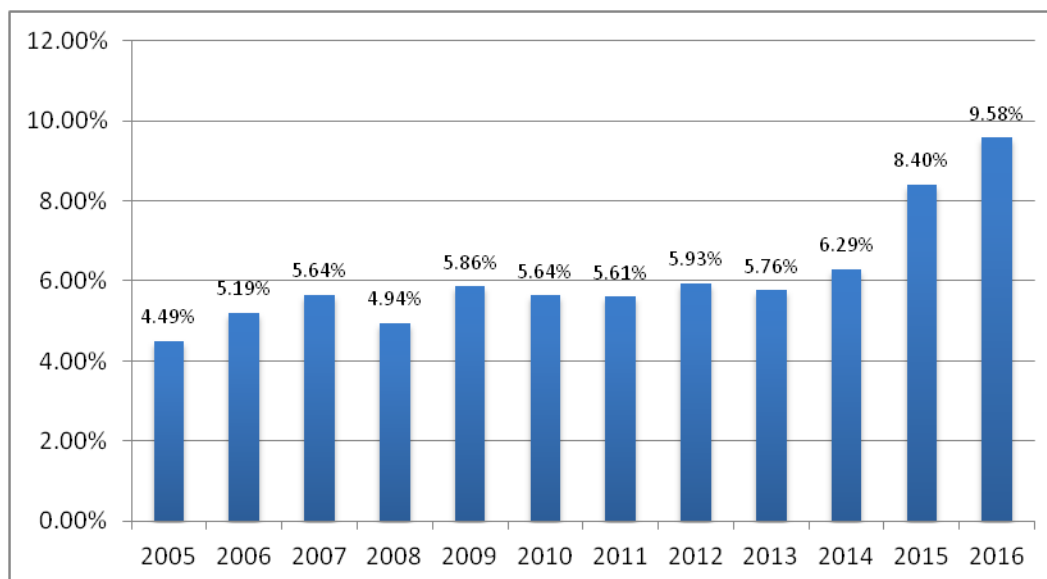
FIGURE 27

County Level Debt and Comparison of Similar Sized Counties in NYS (plus neighboring Westchester - about 3X the size of Rockland)					
Municipality		2004	2009	2014	2015
Albany County	Total \$	\$ 1,609,713,336	\$ 234,501,967	\$ 246,772,454	\$ 262,823,608
	Number of Residents	294,565	304,204	304,204	304,204
	\$ Per Capita	546	771	811	864
Dutchess County	Total \$	\$ 54,846,000	\$ 107,808,763	\$ 99,504,871	\$ 107,168,842
	Number of Residents	280,150	297,488	296,570	296,570
	\$ Per Capita	196	362	336	361
Orange County	Total \$	\$ 190,730,000	\$ 264,328,721	\$ 263,415,000	\$ 268,385,000
	Number of Residents	341,367	372,813	376,099	376,099
	\$ Per Capita	559	709	700	714
Rockland County	Total \$	\$ 218,706,740	\$ 429,242,675	\$ 607,375,782	\$ 626,291,428
	Number of Residents	286,753	311,687	323,866	323,866
	\$ Per Capita	763	1,377	1,875	1,934
Westchester County	Total \$	\$ 681,709,219	\$ 842,863,067	\$1,432,623,369	N/A
	Number of Residents	923,459	949,113	972,634	N/A
	\$ Per Capita	738	888	1,473	N/A
Source: Open Book NY, Office of the New York State Comptroller. For residents: US Census for 2000, 2010, American Community Survey for 2014					

Since 2005, and especially over the past three years, the percentage of the annual county budget that must go towards debt service has significantly increased. The current trend would be difficult to sustain. However, Rockland taxpayers should see some relief when the debt payment on the 10-year deficit finance bond ends in 2024 or sooner.

FIGURE 28

PERCENT OF ROCKLAND COUNTY BUDGET DEVOTED TO DEBT SERVICE (2005-2016)^{xvi}



TAX EXEMPT PROPERTY

New York State offers a variety of full and partial exemptions from property taxes. Properties that are wholly or partially off the tax rolls put additional burden on those properties that remain on the rolls by forcing those property owners to shoulder a larger share of taxes. A tax exemption can affect some or all levels of taxation (school, town, village and county). In this way, properties with exemptions can have an effect on the tax burden for everyone else.

Rockland County ranks in the top 3 counties statewide in terms of the percentage of properties partly or fully off the rolls through some type of exemption.

FIGURE 29

Summary of Exemptions and Exempt Value by County, 2008 Assessment Rolls, Percent of parcels, Top 20 out of 58					Rank High to Low by percent of parcels exempt	Summary of Exemptions and Exempt Value by County, 2015 Assessment Rolls, Percent of parcels, Top 20 out of 58				
County	Exemptions			Total Equalized Value (\$000)*		County	Exemptions			Total Equalized Value (\$000)*
	% of Parcels	# Wholly	# Partially				% of Parcels	# Wholly	# Partially	
Nassau	76.9%	11,152	387,372	\$ 302,068,881	1	Nassau	71.3%	11,649	363,451	\$ 271,714,438
Rockland	76.5%	2,853	77,931	\$ 51,295,500	2	Monroe	71.2%	9,308	223,769	\$ 50,896,954
Monroe	75.4%	9,813	236,629	\$ 47,168,125	3	Rockland	70.0%	3,445	72,155	\$ 42,475,061
Westchester	71.7%	9,932	205,985	\$ 246,153,275	4	Schenectady	67.0%	2,314	47,713	\$ 11,962,785
Schnectady	70.6%	1,696	51,474	\$ 12,921,740	5	Onondaga	66.4%	5,525	151,084	\$ 35,105,238
Onondaga	70.0%	4,919	160,109	\$ 32,410,145	6	Wayne	66.0%	1,634	34,159	\$ 6,015,704
Erie	68.3%	17,117	315,165	\$ 58,008,918	7	Genesee	65.8%	1,194	22,741	\$ 3,658,005
Genesee	68.0%	1,168	23,585	\$ 3,172,350	8	Erie	65.0%	17,161	295,875	\$ 66,818,066
Wayne	67.4%	1,548	35,153	\$ 5,612,769	9	Livingston	64.1%	919	22,642	\$ 4,608,266
Suffolk	67.3%	29,921	460,658	\$ 394,358,575	10	Niagara	63.7%	2,951	73,924	\$ 16,204,589
Putnam	66.5%	1,528	32,503	\$ 18,079,819	11	Suffolk	63.3%	32,568	435,297	\$ 336,471,671
Albany	66.4%	4,792	88,001	\$ 34,986,750	12	Ontario	63.2%	1,667	38,162	\$ 10,965,479
Livingston	65.9%	895	23,126	\$ 3,986,527	13	Putnam	63.2%	1,549	31,303	\$ 15,002,099
Dutchess	65.5%	3,183	85,382	\$ 45,980,415	14	Albany	63.2%	5,287	82,524	\$ 35,101,615
Niagara	65.5%	2,857	77,142	\$ 14,472,768	15	Orleans	62.9%	641	15,330	\$ 2,068,497
Tompkins	64.7%	1,864	24,775	\$ 10,192,058	16	Dutchess	62.7%	3,417	81,365	\$ 37,400,071
Ontario	64.2%	1,590	37,816	\$ 9,480,707	17	Tompkins	62.2%	1,886	24,197	\$ 11,481,605
Rensselaer	64.1%	2,204	51,663	\$ 15,154,537	18	Saratoga	61.7%	2,808	71,216	\$ 27,283,454
Orange	64.0%	4,575	101,547	\$ 48,970,449	19	Rensselaer	61.4%	2,051	49,302	\$ 14,097,912
Saratoga	63.8%	2,715	71,103	\$ 25,743,469	20	Westchester	61.2%	10,284	177,611	\$ 210,277,466
NYS Total	62.6%	201,861	4,414,460	\$2,648,202,900		NYS Total	58.7%	211,159	4,147,528	\$ 2,627,076,474
Source: NYS Office of Real Property Tax Services (ORPS), MuniPro. Note * (\$000) Equalized Values in Thousands										

Source: NYS Office of Real Property Tax Services (ORPS), MuniPro. Note * (\$000) Equalized Values in Thousands

However, while Rockland County has a large percentage in terms of number of properties that have some level of tax exemption, the value of those properties is quite small relative to the overall value of county property. In fact, when comparing the value of exempt properties, Rockland ranks among the lowest in the state in terms of percent of total property value accounted for by tax exempt properties. While 16% of Rockland's property value is tax exempt, that is well below the statewide average of 26% and below all but six other counties. This suggests that though there are many properties with exemptions, those properties tend to be small, lower-value properties, rather than larger tax-exempt properties such as major universities.

FIGURE 30

Statewide Exemptions and Exempt Value by County - 2015 Assessment Rolls			
County	# of Exemptions	Equalized Value (\$000)*	% of Equalized Value
HIGHEST 10, in percent of equalized value			
Tompkins	7,184	\$ 4,543,975	39.6%
Seneca	5,320	\$ 1,189,690	37.2%
St. Lawrence	13,640	\$ 3,304,324	37.1%
Niagara	21,666	\$ 5,894,341	36.4%
Cattaraugus	11,267	\$ 2,123,981	34.2%
Wyoming	6,935	\$ 1,108,547	33.8%
Oneida	25,549	\$ 5,366,709	33.4%
Lewis	5,366	\$ 968,701	32.4%
Albany	23,038	\$ 11,202,430	31.2%
Allegany	7,758	\$ 920,161	31.7%
LOWEST 10, in percent of equalized value			
Delaware	5,441	\$ 1,164,522	16.9%
Fulton	5,966	\$ 626,029	16.4%
Columbia	8,528	\$ 1,414,460	16.4%
Rockland	17,849	\$ 6,774,703	16.0%
Washington	8,931	\$ 817,747	14.8%
Saratoga	15,783	\$ 3,977,153	14.6%
Ulster	16,415	\$ 2,990,894	14.4%
Warren	7,323	\$ 1,329,689	11.3%
Putnam	7,213	\$ 1,655,238	11.0%
Hamilton	991	\$ 254,320	8.5%
NYS Totals	1,800,843	\$ 719,487,604	26.1%
<i>Source: NYS Office of Real Property Tax Services (ORPS), MuniPro. * Properties may be exempt for various purposes, town, county, or school district, or for any combination or all three.</i>			

Properties can get full or partial tax exemptions for many reasons. By far, the single largest category of tax exemptions in New York State is the STAR (School Tax Relief) exemption, followed by Enhanced STAR for senior citizens in low-income households. These programs apply only to school district taxes but because the state compensates the school district for any lost revenue from local property taxes, the STAR programs, unlike other types of tax exemptions, do not result in increasing the burden on non-exempt local property owners.

All other tax exemptions granted in New York State have the effect of increasing the burden on taxpayers whose properties have no exemptions or limited exemptions.

Like many of the other factors discussed in this report, exemptions play a role in the aggregate when discussing the property tax burden in Rockland County.

While the county as a whole does not appear to be overly burdened by tax exempt properties, there are parts of the county, where certain categories of exempt properties

show notable growth. Indeed, one of Rockland's five towns - **the Town of Ramapo** - leads the county, and is among the highest in the state, in the categories of **Non-Profit Religious and Non-Profit Educational tax exemptions**. The town of Ramapo also has a high number of properties granted tax exemptions as Clergy Residences.

FIGURE 31

Exemptions in Specific Categories - percentages highlighted are those that are two or more times higher than the state average.				
Category of Exemption	Number of Exemptions	Total Equalized Value of Exemptions	% of Value Exempted	% of Total Exempt Value
CLARKSTOWN				
Clergy Residence	51	\$ 18,804,000	100%	0.6%
Non-Profit Organization-Religious	67	\$ 194,832,000	100%	6.2%
Non-Profit Organization-Educational	9	\$ 40,978,000	100%	1.3%
Non-Profit Organization-Charitable	27	\$ 66,339,000	100%	2.1%
HAVERSTRAW				
Clergy Residence	5	\$ 2,822,000	100%	0.3%
Non-Profit Organization-Religious	55	\$ 38,511,000	99.3%	3.8%
Non-Profit Organization-Educational	N/A			
Non-Profit Organization-Charitable	2	\$ 2,276,000	100%	0.2%
ORANGETOWN				
Clergy Residence	17	\$ 11,713,000	100%	0.5%
Non-Profit Organization-Religious	89	\$ 178,664,000	99.9%	7.4%
Non-Profit Organization-Educational	68	\$ 303,896,000	100%	12.5%
Non-Profit Organization-Charitable	2	\$ 766,000	100%	0%
RAMAPO				
Clergy Residence	250	\$ 123,297,000	75.4%	2.9%
Non-Profit Organization-Religious	523	\$ 265,401,000	86.1%	6.2%
Non-Profit Organization-Educational	349	\$ 537,948,000	95.2%	12.5%
Non-Profit Organization-Charitable	19	\$ 34,466,000	99.8%	0.8%
STONY POINT				
Clergy Residence	N/A			
Non-Profit Organization-Religious	2	\$ 740,000	100%	0.2%
Non-Profit Organization-Educational	2	\$ 542,000	100%	0.1%
Non-Profit Organization-Charitable	3	\$ 4,774,000	100%	1.2%
ROCKLAND COUNTY				
Clergy Residence	323	\$ 156,636,000	79.6%	1.4%
Non-Profit Organization-Religious	736	\$ 678,148,000	94.0%	6.0%
Non-Profit Organization-Educational	428	\$ 883,365,000	97.0%	7.8%
Non-Profit Organization-Charitable	53	\$ 108,621,000	99.9%	1.0%
NYS				
Clergy Residence	3910	\$ 2,072,316,000	72.3%	0.2%
Non-Profit Organization-Religious	23,814	\$ 25,858,583,000	94.7%	3.0%
Non-Profit Organization-Educational	7,904	\$ 36,057,023,000	98.7%	4.2%
Non-Profit Organization-Charitable	6565	\$ 8,492,598	97.1%	1.0%

Source: NYS Office of Real Property Tax Service, municipal profiles, accessed May 2016.

Ramapo currently ranks 2nd in New York state in the number of parcels with Non-Profit Educational exemptions, and 4th in the state in the number of parcels with Non-

Profit Religious exemptions; the number of religious exempt properties has grown by 249% since 1999. No other towns in Rockland County are found in the upper levels statewide in terms of numbers of parcels that are exempt in these categories.

The growth in these categories and in the related category of Clergy Residence corresponds with a large growth in the population in the town in recent years. Growth of the Orthodox Jewish population, and a large growth of the school-aged population attending private religious schools accounts for much of this growth and has been well documented within the town and within the East Ramapo School District, located primarily within the boundaries of the Town of Ramapo.

As with any exemption, the higher the number and value of tax exempt properties, the greater the shift of the burden onto those that are not exempt. It is important to realize that these particular exempt categories affect all taxing jurisdictions, including towns and villages, the county and the school districts in which they apply.

Figure 32

2015 Statewide Rank, Top 5- in Exemption Categories of Unusually High Incidence in Rockland County					
Municipality	Type of Exemption	Exempt Parcels 1999	Exempt Parcels 2015	Estimated Total Full Value of Exempt Amount	Percent change 1999-2015
New York City	Non-Profit Organization- Religious	6,453	5,889	\$ 11,846,567,810	-9%
Buffalo		864	842	\$ 172,327,159	-3%
Rochester		522	568	\$ 140,975,900	9%
Ramapo		150	523	\$ 265,401,481	249%
Albany		297	354	\$ 144,101,917	19%
New York City	Non-Profit Organization- Educational	1,883	1,876	\$ 16,847,742,614	0%
Ramapo		232	349	\$ 537,948,423	50%
Buffalo		126	269	\$ 327,618,750	113%
Hempstead		176	250	\$ 1,127,723,035	42%
Albany		178	217	\$ 321,799,915	22%
New York City	Clergy Residence – Religious Corporation	1,352	1,091	\$ 716,788,478	-19%
Ramapo		162	250	\$ 123,296,887	54%
Hempstead		N/A	166	\$ 103,596,065	N/A
Elmira		87	79	\$ 23,435,181	-9%
North Hempstead		N/A	77	\$ 85,551,000	N/A
New York City	Clergy Residence - Individual	862	1,332	\$ 44,593,425	55%
Hempstead		190	519	\$ 235,401,700	173%
Ramapo		140	191	\$ 1,973,140	36%
Brookhaven		131	132	\$ 19,885,368	1%
North Hempstead		38	88	\$ 49,623,638	132%

Source: NYS Department of Taxation and Finance

TAX CERTIORARIS BY MAJOR BUSINESSES - TOWN OF HAVERSTRAW

Tax certioraris in which property owners challenge their assessments in court can have a dramatic effect on the property tax base and the tax burden, especially if the challenge is by a large property owner. In interviews for this report, at least one assessor working in Rockland County indicated that such challenges are consuming increasingly more time and resources. One of the most impactful cases in recent years has been that of the power company Mirant and its successor owner NRG.

In 2006, electricity generating corporation Mirant successfully claimed it was assessed at too high a level on its Bowline and the now-demolished Lovett power plants. In a tax certiorari settlement that spanned many years, the court case resulted in a property tax refund of \$275 million to the power company. Other settlements, smaller in scope, followed.

The Mirant / NRG case has had and will continue to have a deep effect on the tax base and on local taxpayers in the North Rockland School District, the Town of Haverstraw, the villages of Haverstraw and West Haverstraw, and to a lesser extent, all of Rockland. The tax settlement is the single largest factor that has led property owners in much of the North Rockland school district to confront one of the highest tax rates in the state.

As is described here, the tax payment for the power company, what had been the largest tax payer in the town and school district, was reduced by 2/3rd of what it had been :

The Refund

The settlement awarded NRG an \$8 million tax refund from local taxing jurisdictions — the North Rockland school district, the Town of Haverstraw, the county of Rockland, and the villages of Haverstraw and West Haverstraw — for its 2009, 2010, 2011, 2012 and 2013 tax certiorari cases. The school district pays \$4.6 million, Haverstraw town \$2.4 million, Rockland County \$358,632, Haverstraw village \$550,358, and West Haverstraw village \$28,697. The school district has to pay the first 60 percent of its payment by Aug. 31, and the rest by Aug. 31, 2015. The other municipalities have to make their payments by late May.

The PILOT

The PILOT agreement spans from 2014 to 2020. Based on the agreement, NRG will pay \$2.7 million in taxes annually for the next seven years. The annual payment is less than a third of the company's most recent property-tax payment of \$9 million. The school district will receive \$1.65 million a year, Haverstraw town \$862,350, Rockland County \$127,700, Haverstraw village \$46,430 and West Haverstraw village \$10,520. In addition, NRG will pay up to \$300,000 annually in special district taxes.^{xvii}

The article cited above describes how the school district made severe cutbacks and attributed the closure of two school buildings to the original \$275 million back payment that was due to the power company. The article goes on to give this history:

In 2006, Mirant Corp. successfully sought lower assessments on Bowline from 1995 to 2003 and Lovett from 2000 through 2003. Mirant's tax challenges resulted in a tax refund of \$275 million. As part of the judge's order, Mirant was not allowed to file another tax challenge against Haverstraw and Stony Point until 2008. When the ban ended, the owner of the plants resumed tax challenges against Haverstraw, even though the Haverstraw town assessor has reduced Bowline's assessment to \$138.64 million, more than 60 percent, since 2009.

Haverstraw Town Supervisor Howard Phillips wrote about the settlement with a degree of relief in his 2015 State of the Town address.

The Town finalized an outstanding Tax Certiorari case with NRG, Inc., thus removing the threat of a major lawsuit that NRG filed against the Town and each taxing jurisdiction. The good news is that Bowline's assessment can no longer hurt the taxpayers of Haverstraw. The bad news is that since deregulation, this plant has been devalued to a fraction of what it once was. We are now on our fifth owner of these power plants since deregulation.

In recent years, there have been several other successful significant tax challenges in Rockland County, although none have had the dramatic impact of the Mirant cases.

In mid-2013, the Clarkstown School District and the Town of Clarkstown agreed to a \$20 million tax certiorari settlement with the Palisades Mall. In it, according to media

reports, the school district paid \$13 million to the mall; the town paid back \$5 million and the county and other taxing jurisdictions paid \$2 million. ^{xviii}

In Pearl River, the settlement negotiated with the pharmaceutical company Pfizer, resulted in a multi-million dollar loss of property tax revenue to the Nanuet School District and the Town of Orangetown, with smaller tax revenue loss for Rockland County and the Town of Clarkstown.

Tax assessment challenges, whether successful or not, can also carry a high legal cost. The Palisades Mall case, for instance, cost the Clarkstown Central School District and the Town of Clarkstown more than \$1 million in legal fees.

OTHER POTENTIAL FACTORS IN THE TAX BURDEN

HOMESTEAD/NON-HOMESTEAD TAX RATES

New York State real property tax law allows municipalities to break up the overall property tax levy into homestead and non-homestead sections. In municipalities that use homestead/non-homestead rates, homesteads (residents) are responsible for paying for a certain overall share of the tax levy, and non-homestead (other than residential--e.g. industrial, commercial) property owners are responsible for paying the remainder. For example, a municipality could set a base proportion of 85% for the amount of the tax levy to be paid by homesteads and 15% to be paid by all the non-homesteads. Though dividing the tax levy in this fashion does not change the overall amount of taxes levied, by fixing the share of the tax levy that nonresidential property owners must pay, it has the potential to add a fiscal burden for businesses in these municipalities, since if the number of businesses goes down (because some close or relocate out of the area), the remaining businesses still have to pay the same share of the tax burden, but since the burden is divided among a smaller number of businesses, each business would have to pay a larger tax bill.

Throughout the state of New York, only 48 municipalities have separate homestead/non-homestead tax rates, making this a relatively rare feature of the property tax environment (although some of the 48 include large cities such as Buffalo, Rochester, Albany, and Binghamton), but in Rockland it is quite common.^{xix} Four of Rockland's five towns (all except Ramapo) use homestead/non-homestead tax rates, as do the Villages of Piermont and West Haverstraw. Other New York Metro Area

Counties have several homestead municipalities (Nassau has 10, Westchester and Dutchess have 7 each, Orange has 2, and Putnam, Ulster, and Suffolk have 1), however, Rockland is unique in having the majority of its population live in municipalities that use homestead/non-homestead tax rates. Understandably, the Rockland Business Association is concerned about the effect of this tax structure on its members and other Rockland businesses.

TOO MANY LOCAL TAXING ENTITIES?

Rockland's multiplicity of local taxing entities (towns, villages, school districts) are often cited as one cause of the high property tax bill. Some have argued that the number of taxing entities leads to inefficiently dividing up services between many small units, causing Rockland taxpayers to pay a higher tax bill than they would with more consolidated governments. While studying ways to consolidate and share services is a worthy goal and should be pursued, Pattern's research suggests that the number of local taxing entities in Rockland is unlikely to be a major contributor to higher local taxes in that county, with the possible exception of schools due to the costs involved.

Rockland has relatively few towns and school districts relative to its population¹³ but the county does stand out for the relatively high number of villages (19), tied with Orange County for the 5th most of any county in the state. But it is not clear how meaningful this fact is for the average property taxpayer. Only 129,869 people (about 42% of Rockland's residents) reside in one of the county's 19 villages, so for most Rockland taxpayers, any costs associated with village government are not a component of their high tax bills. As previously noted, village employees are among the least expensive public employees in Rockland, and overall spending by village governments accounted for only about 5% of the total spending by Rockland County and its municipalities and school districts in 2015. Moreover, when Rockland's relatively large population is accounted for, the number of villages looks less remarkable, as 35 counties in New York State have more villages per capita.

¹³ Orange County, for instance, with a population about 17% larger than Rockland's has more than 4 times the number of cities and towns (23 to Rockland's 5), and more than double the number of school districts (17 to Rockland's 8). Dutchess County, with a population 11% less than Rockland has four times the number of cities and towns (22 to Rockland's 5) and several more school district (13 to Rockland's 8). Westchester, with a population three times larger than Rockland, has five times as many cities and towns (25 to Rockland's 5) and four times as many school districts (39 to Rockland's 8)

Figure 33

Local Taxing Entities in the Lower and Mid-Hudson Valley								
County	Cities	Towns	Villages	School Districts	Total Local Taxing Entities	2010 Population	Avg. Number of Residents per Taxing Entity	Statewide Rank out of 57 *
Westchester	6	19	23	39	87	949,114	10,909	5
Rockland	0	5	19	8	32	311,687	9,740	8
Dutchess	2	20	8	13	43	297,448	6,917	11
Putnam	0	6	3	6	15	99,750	6,650	12
Orange	3	20	19	17	59	372,813	6,319	13
Source: Analysis –Pattern for Progress: Population – US Census								
* Higher is better=more efficient								

CONCLUSION

Throughout this report, we have cited a number of factors that result in extraordinarily high property tax rates and property tax burden in Rockland County, NY. Every tax burden is comprised of many factors. For Rockland County, it is true that high county debt lingering from the budget crisis of 2011-12 is a part of the burden. It is a fact that growing poverty and an ever-growing percentage of the population on the Medicaid rolls have their effect on the tax bill. It is also true that property tax exemptions are nibbling away at the tax base to a detrimental effect, especially in the town of Ramapo. And it is clear that the settlement of tax challenges involving long-term over assessment of commercial properties (such as Mirant / NRG) have taken extensive tolls on the local tax base.

Ultimately, there must be a strong recognition that high salaries in the public sector, primarily in municipal police forces and secondarily in public k-12 education, represent two of the greatest factors behind the property tax burden in Rockland County outside of the sheer force of high property values tied to location. Given that public education across New York state is the costliest system in the nation, the expense in Rockland County must be seen in that context. That leaves the expense of municipal police salaries as a notable factor that is both unique to Rockland County towns and one that is very much an issue of local decision making.

Taking control of the property tax burden will not be easy. Nonetheless the following pages offer possibilities that might lead to relief.

RECOMMENDATIONS & BEST PRACTICES

Taxes Are High. What Can Be Done?

Taking control of taxes is hard to do, but not impossible. The following are several courses of action that can be considered.

1. Honor the Tax Cap.

A statewide law requiring that local governments limit the increase in their tax levies to the annual cost of living increase (approximately 2 percent, but can be much lower) went into effect in 2012. A report from the Fiscal Policy Institute notes that despite some drawbacks that may need to be addressed,^{xx} the tax cap has helped provide some relief to the growing burden of property taxes in New York state. According to the Office of Governor Andrew Cuomo:

“As a result of the cap and citizen involvement, New York’s property taxes have been held to an average growth rate of approximately two percent during the past three years, less than half the rate of growth over the previous ten years.

Controlling the rate of property tax growth results in enormous savings for property taxpayers, and the impact grows over time. Through the first three years of the Cap, the typical property tax payer has saved more than \$800, compared to if taxes had continued to grow at the previous growth rate. If the trend continues, by 2017, the typical taxpayer will have saved more than \$2,100 in local property taxes as a result of the Cap^{xxi}.”

In Rockland, the majority of the county's towns and all of its school districts have stayed within the tax cap most years since it was enacted. Due to this track record, the continuation of the tax cap should warrant support from organizations like the RBA. That is not to say some alterations for the public good - such as setting a different level of cap for infrastructure expenditures - should not be considered. However, a blanket lifting of the cap or alteration of it because governments and schools feel they cannot continue within its confines should be avoided. Likewise, residents and voters should view moves by local governments or school districts to exceed the tax cap with skepticism and should demand clear justifications for why exceeding the tax cap is warranted.

A circuit breaker that takes into consideration that level at which taxpayers cannot feasibly afford a tax hike should also be considered.

As the volunteer, non-partisan New York State Property Tax Reform Coalition states:

"The circuit breaker is sometimes called the "individual's tax cap."

It is a tax break or rebate based on need. A circuit breaker would essentially cover the portion of a homeowner's tax bills that exceeds a reasonable share of their household income, usually in the 6 - 9% range.

Renters, who pay taxes indirectly through the landlord, may also qualify.

Circuit breaker relief is a well-established system used in some 35 states. We even have it in New York, but the household income limit (\$18,000), established in the 30-year-old legislation, is clearly outdated.

There's a 4-year phase-in for relief in consideration of the state's economic challenges. In the first year, families with household incomes up to \$100,000 (\$250,000 when fully phased in) will receive relief.

Circuit breaker relief does not shift the property tax burden to other property owners. The cost is spread broadly among all state taxpayers, including those benefiting from the measure." ^{xxii}

- Consider local versions of the tax cap. Other forms of the tax cap, but on a very localized level, can also work toward controlling a hefty tax bill. This can be very helpful and send a signal of civic responsibility in situations such as those cited in this report where many publicly supported compensation packages are significantly out of line with the \$85,808 average household income in a Rockland County household. If local decision makers would commit to bringing those compensation levels closer to the county household median, then schools and governments could take some forward-thinking steps - for instance, they could raise the starting salaries for police and teachers and cap the salaries for public employees when they reach certain levels. This could have a dramatic impact on taxes and could open the door on a higher level of services if three teachers, for example, could be hired for the price of two resulting in greater attention to students and the possibility of smaller class size.

These suggestions require the engagement of Rockland residents as to what is more important: reducing the high level of taxes or potentially reducing the level of services?

2. Look to the Schools.

In Rockland County, as in much of New York State, the lion's share of the tax bill is comprised of school taxes. Of the school budget, some 65 percent goes to personnel, primarily teachers and to benefits attached to those positions. Because of this, ways to control school spending would have the greatest impact on controlling property tax growth.

a. Consider early retirement incentives. A reduction of costs within a school budget may be achieved by offering a retirement or early retirement incentive. Research has shown that offering retirement incentives to senior staff members who are earning top dollar in school districts can save millions of dollars. While there are tradeoffs (e.g. loss of the most experienced instructors), if savings and control of taxation are the goals, these programs should be pursued.

b. Pass a school transportation relief act. The ongoing strife in the East Ramapo School District points to a need to offset the cost to taxpayers when non-public students outnumber those attending public school within a given district. One of the factors in East Ramapo is the legal requirement that the district provide transportation to some 24,000 yeshiva and other private school students at a cost of \$15 million while only 8,000 of the district's 32,000 students attend public school. Model legislation might be considered in which the state pays a significant share of the cost of transporting non-public students when their number exceeds some percentage (for instance 20 or 30 percent) of the total public school enrollment in the district in any given year or where accommodations for cultural standards require separate busing based on gender. While this may benefit the taxpayers of the East Ramapo School District today, it may well benefit other localities in the future if the population of Orthodox or other sectors enrolling in non-public schools continues to grow in other parts of the state as projected.

c. Explore more sharing of services. The notion of consolidating at least some school districts in Rockland County arises from time to time. While a complete consolidation of districts as diverse as those in Rockland may prove difficult, districts might consider combining in groups that make geographic sense or engaging in a greater degree of shared of services. The number of administrators alone - 152 making over \$130,000 a year in compensation in the eight Rockland County School Districts - begs the question of efficiencies to be found by sharing of administrators. In Sullivan County, a sharing of business functions through BOCES is seen as an improvement in efficiency as well as a cost savings. Across New York State, districts have experimented with the sharing of superintendents, an idea that appeals to the public and school boards because of the high profile of these officials and their often high level salaries. For the 2016-2017 school year, 16 school districts in New York State report that they are sharing a superintendent, according to the New York State Education Department.

3. Press for an Examination of Government Costs at All Levels.

Villages, towns, the county and school districts are correct in pointing out that many expenses are the result of mandates from the state or federal governments. But there are also controls at the local levels that can be put into place. Local leaders at all levels should be encouraged to look at efficiencies and cost savings in all their departments and when negotiating union and other contracts. Best practices in this area can now be found at various levels of government in Rockland. Clarkstown for instance, has become widely known for its costly police salaries, but the town board has recently hired outside professionals to examine the cost of the police force as well as other departments in the town. In another example, the county's "front-end detection system" to investigate public assistance fraud prevented the distribution of more than \$3 million in 2014-15 in assistance to ineligible parties, a portion of which would have impacted local property taxes.

On every level - schools, towns, villages, the county and all special taxing authorities - ongoing efforts should be made to examine even the smallest areas of expenditure for savings. In addition, governments and public schools should give regular

attention to the question of sharing services in order to save tax dollars and to create greater efficiencies and a more advanced level of services to the public. With five towns, 19 villages, eight school districts, and myriad special districts, there are surely areas for consolidation and coordination among these various entities that could result in significant savings for taxpayers.

4. Push for Exemption Reform.

New York State has more than 250 codes and sections of state law that allow for property tax exemptions. When property owners request and receive exemptions on real estate, the result is a greater burden on those taxpayers who continue to pay for the growing property tax levy.

Exemptions can create an oppressive scenario for taxpayers, says longtime Orangetown Assessor Brian Kenney. In an interview for this report, Kenney called for "a legislative review of the impact of the State's exemptions in order to have them see for themselves the effect on the tax base." The data indicates that this proposal has merit. Many of the exemption codes and laws have been on the books for more than 100 years; the costs and complexities of government have changed greatly over the course of time. Also, in locations such as the Town of Ramapo in Rockland County, sheer growth in certain exemption categories including religious, educational and clergy residences and the impact of these warrant examination and discussion of possible reforms.

Assessor Kenney suggests the weight of certain exempt categories be borne by other branches of government. Veterans exemptions, for instance, might be better borne by the federal government as it is the branch that benefits from the service of veterans and that oversees other veterans benefits. At the very least, says Kenney, the state legislature should curtail the creation of any further property tax exemption categories. All of these are promising recommendations that bear further study.

5. Seek Relief Through State Payments on State Properties.

A standing complaint among government officials including assessors is the arbitrary means by which New York State makes payments on properties it owns. In

some cases, the state makes payments, in others, it does not. A method for standardizing these payments can add to the property tax base or at least make for a fairer system of compensation to municipalities and school districts. New York State would do well to consider the percentage of property within any municipality that can go off the tax roll and provide a consistent, robust and fairly applied means of payment in lieu of taxes. This would be helpful in any jurisdiction, but it would be particularly beneficial to Rockland County and other high-taxed counties where businesses, families, and individuals can have a hard time shouldering the ever-increasing tax burden. For such counties, the tax cap is not enough. The state needs to step in with payments as warranted.

6. Pursue Collection of Delinquent Taxes.

Non-payment of property taxes can have the same effect, in the short-term, as tax exemptions. Non-payers shift the burden onto those who do pay taxes. While properties with excessive delinquencies eventually can be sold at tax sale, the goal should be to keep properties on the rolls at full value and to encourage tax payments in a timely manner. The Office of County Executive Ed Day recently highlighted the problem of delinquent property tax payments through a high-profile public campaign to accelerate the collection of back taxes on commercial properties.

In March of this year, the county released a list of 125 parcels facing foreclosure if their owners did not pay up within 90 days. Together, the delinquent properties owed more than \$3.3 million in property taxes. More than half the addresses were in Ramapo, Rockland's most populous town. At least some of the property owners - including the owner of the largest delinquent parcel - came forward to pay as a result of the release of the list and the move toward foreclosure. In addition to that result, the move and change in policy called attention to the problem of non-payment of property taxes and the negative effect it has on budgeting, debt and other taxpayers. This is a model worth emulating.

7. Add Ratables.

The level of property taxes paid by any individual property owner is impacted by how many other property owners are chipping in to pay the bill for the cost of a

government and its services. All else being equal, the more taxpaying properties there are, the lesser the tax burden on each individual property owner. Though the addition of any new tax paying property, even a single-family home, to the tax rolls helps spread the burden, the addition of a commercial ratable – a business property that pays taxes -- makes a much bigger impact in the tax bill.

For instance, the recent possibility of Legoland locating one of its family entertainment theme parks in Rockland County was attractive to many observers in the business community due to the potential increase in the tax base. Developments such as Legoland are, however, also weighed on the basis of what services they will require, including infrastructure and services such as schools and public safety, as well as what tax breaks they will seek from entities such as the Industrial Development Agency. Residents may also put pressure on elected officials to oppose large projects such as Legoland that they perceive as being detrimental to their quality of life. It is reasonable for elected officials to give great weight to resident concerns about quality of life, but responsible elected officials will also take it upon themselves to explain to voters that without continued economic development and growth, the tax burden may continue to increase at unsustainable rates.

Based on a threshold number of jobs to be created, the state could consider giving projects as large as Legoland a substantial package of benefits for infrastructure upgrades and the like so as to remove the burden from localities. Workforce training and marketing might also be considered in this package.

8. Trade Tax Breaks for Streamlined Process and Shovel Ready Sites.

High taxes can serve as a significant deterrent, especially in the commercial real estate field, so providing incentives to enterprises that may wish to locate in Rockland County can be both beneficial and necessary. But, says Paul Adler, Esq., vice president of commercial real estate for Rand Realty, these do not have to take the form of real estate tax abatements. As Adler and many others have noted, commercial firms too often take the real estate tax abatement for 10 or 15 years, then move out of the county prior to the expiration of the abatement so that they will never pay full property taxes. Instead of property tax breaks, Adler says, a bank of "shovel-ready" sites that have already successfully run through the gamut of zoning and environmental approvals could prove an even more powerful incentive than tax breaks. A site plan approval processes

that can sometimes take 24 to 36 months for larger projects and the potential for costly legal hurdles posed by over-complicated regulations can be even bigger deterrents than high property taxes. By the same token, zoning that has been updated for the "modern era" and perhaps better unified across municipal boundaries in the state's smallest (geographically speaking) county could also be an attractive incentive to today's high-tech businesses.

9. Seek Early Retirement Incentives at Other Levels of Government.

While early retirement incentive programs are one of the ways to curb spending and therefore taxation at the public school level, it is also a method used to some degree at other levels of government. The early retirement incentive initiated by Rockland County for the 2016 budget year was expected to save \$2.5 million in salaries because the positions were not to be refilled. Consideration should be given to extending these programs to other local governments, particularly, costly police departments.

10. Consider Five-Year Expenditure Planning, Multi-Year Budgeting, and Proactive Funding.

Government budgeting is generally accomplished on a year-to-year basis. However, longer-term projections and planning among municipalities and school districts can give a greater amount of stability and predictability and can also allow leaders to take action in regard to upcoming expenses and costly items such as infrastructure.

Long-time Rockland County-based appraiser and real estate professional William Beckmann, when interviewed for this report, said he agrees it is difficult to find a single solution to the burgeoning tax problem in Rockland County but suggests that a five-year budget projection can at least start the process of long-term planning to avoid or mitigate large tax increases and might offer a good chance to plan for cutting back on local expenses. Additionally, as costs generally do not change significantly from year-to-year, local officials might consider proposing and passing two-year budgets such as those that are adopted in other parts of the nation.

11. Step Up the Pressure on Mandate Reform.

Complaints from local officials aside, programs and services mandated at the state and even federal levels are often of benefit to the public. However, it cannot be that the costs of these mandates are passed on to localities without thought as to the impact on local taxpayers. Each cost that is passed onto the counties, towns and school should be subject to a periodic review and a three-year public re-vote by the state legislature to increase the level of awareness and accountability related to mandates. This would also give the public an opportunity to say whether the service is something they want to continue or can afford to continue.

12. Eliminate the Triborough Amendment.

As discussed in the body of this report and as further explained in Appendix C, the Triborough Amendment to the Public Employees Fair Employment Act guarantees an automatic salary increase and the continuation of current benefit levels when negotiations for a new contract fail. The result, especially in the era of the tax cap, can be budget scenarios that are untenable for taxpayers. Efforts to reform or eliminate the Triborough Amendment have been met with strong opposition from unions.^{xxiii} Political pressure from individuals or organizations such as the RBA would likely be necessary to create change in the law.

13. Provide Information. Encourage Participation.

Organizations such as the RBA are well positioned to make education about taxes and local elections part of their ongoing work.

Participation in local government can be extremely low. Even those who go to the polls may be under-informed about candidates or issues and how they might affect their property taxes. The RBA might consider an annual or bi-annual publication on the internet or in print that seeks to inform eligible voters on issues and candidates and how they plan to impact taxes and the business climate in general.

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APPENDIX A

Property Taxes, ranked nationally

Property Taxes, Ranked Nationally, 2007-2011						
County	Average Taxes		Average Home Value		Taxes Paid as a Share of Home Value	
	Rank	Taxes Paid	Rank	Home Value	Rank	Percent
Top 6 Ranked by Annual Property Taxes Paid						
Westchester (NY)	1	\$ 9,647	19	\$ 547,000	246	1.8%
Nassau (NY)	2	\$ 9,080	32	\$ 478,608	150	1.9%
Bergen (NJ)	3	\$ 8,893	35	\$ 474,200	166	1.9%
Hunterdon (NJ)	4	\$ 8,764	50	\$ 437,100	100	2.0%
Rockland (NY)	5	\$ 8,762	42	\$ 465,100	160	1.9%
Essex (NJ)	6	\$ 8,541	67	\$ 389,800	54	2.2%
Top 3 Ranked by Home Value						
Nantucket (MA)	177	\$ 3,020	1	\$ 993,900	3,080	0.3%
New York City (NY)	22	\$ 6,189	2	\$ 842,300	1,951	0.7%
Marin (CA)	27	\$ 5,718	3	\$ 840,900	2,144	0.7%
Top 3 Ranked by Percent of Taxes Paid as a Share of Home Value						
Shannon (SD)*	2,253	\$ 705	3,142	\$ 16,800	1	4.2%
Orleans (NY)	201	\$ 2,080	2,122	\$ 87,700	2	3.3%
Niagara (NY)	167	\$ 3,065	1,754	\$ 100,600	3	3.1%
source: the Tax Policy Center, a joint venture of the Urban Institute and Brookings Institution						
*Also known as Ogalala Lakota County, Shannon County, SD, is one of five South Dakota counties entirely on an Indian reservation. The county's per capita income makes it the poorest county in the United States						

APPENDIX B

Rockland County School District Administrative Compensation of \$130,000 and over, 2016-17 *Detail*

Rockland County School District Administrative Compensation of \$130,000 and over, 2016-17

CLARKSTOWN (enrollment 8,610 *)		SOUTH ORANGETOWN (enrollment 3,266*)		EAST RAMAPO (enrollment 9,204*)	
Supt. of Schools	\$ 298,272	Supt. of Schools	\$ 314,543	Supt. of Schools	\$ 321,802
Asst Supt & COO	\$ 250,102	Deputy Supt.	\$ 292,935	Asst Supt For Instruc. K-12	\$ 214,690
Asst Supt for Pers & Instruc.	\$ 247,667	Asst. Supt. For Instruct	\$ 240,555	Asst Supt For Finance	\$ 203,409
Elementary Principal	\$ 175,922	Dir. Of Human Resources	\$ 181,560	Asst Supt Of Spcl Student Svc	\$ 195,185
Elementary Principal	\$ 161,272	Dir. Of Athletics	\$ 164,971	Asst To The Supt For Elem Ed	\$ 173,977
Elementary Principal	\$ 205,183	Dir. Of Technology	\$ 171,649	Dir. Of Funded Programs	\$ 179,598
Elementary Principal	\$ 162,839	Dir. Of Special Ed	\$ 179,468	Asst. Principal	\$ 149,342
Elementary Principal	\$ 174,265	Principal Of HS	\$ 178,741	Asst. Principal	\$ 149,874
Elementary Principal	\$ 206,724	Asst. Principal Of HS	\$ 143,479	Asst. Principal	\$ 149,874
Elementary Principal	\$ 186,980	Asst. Principal Of HS	\$ 147,145	Asst. Principal	\$ 149,874
Elementary Principal	\$ 171,092	Principal Of MS	\$ 165,772	Asst. Principal	\$ 149,874
Elementary Principal	\$ 156,812	Principal Of ES	\$ 166,690	Asst. Principal	\$ 133,172
Elementary Principal	\$ 160,303	Principal Of ES	\$ 147,000	Asst. Principal	\$ 149,342
Secondary Principal	\$ 141,270	Asst Principal Of ES	\$ 145,867	Asst. Principal	\$ 151,874
Secondary Principal	\$ 169,178	TOTAL (14 positions)	\$ 2,640,375	Asst. Principal	\$ 151,874
Secondary Principal	\$ 203,221	NYACK (enrollment 3,060*)		Asst. Principal	\$ 147,874
Secondary Principal	\$ 168,740	Supt. of Schools	\$ 276,548	Principal	\$ 146,489
Secondary Principal	\$ 166,582	Deputy Supt.	\$ 229,365	Principal	\$ 163,068
Secondary Principal	\$ 176,788	Asst Supt For Curric & Instruct	\$ 221,085	Principal	\$ 140,000
Supvr. Of Pupil Services	\$ 147,005	Dir of Special Ed & Pupil Pers.	\$ 155,000	Principal	\$ 152,832
Dir Curriculum/Instr(Unfilled)	\$ 160,000	Principal	\$ 195,696	Principal	\$ 148,489
Exec. Dir. Of Pupil Services	\$ 160,942	Principal	\$ 178,343	Principal	\$ 152,354
Dir. Of Facilities	\$ 136,738	Principal	\$ 167,130	Principal	\$ 167,068
Dir Of Bsns Svcs/Safety Officer	\$ 132,884	Principal	\$ 158,334	Principal	\$ 165,888
TOTAL (24 positions)	\$ 4,320,781	Principal	\$ 156,240	Principal	\$ 167,068
HAVERSTRAW-STONY POINT (enrollment 8,019*)		Asst. Principal	\$ 136,410	Principal	\$ 165,068
Supt. of Schools	\$ 258,757	Asst. Principal	\$ 136,145	Principal	\$ 167,068
Asst Supt of Business	\$ 210,271	Asst. Principal	\$ 132,161	Principal	\$ 165,068
Asst Supt For Education	\$ 240,935	Dir. Of Athletics/Pe/Health	\$ 149,353	Principal	\$ 167,068
Asst. Supt. For H/R	\$ 213,335	TOTAL (13 positions)	\$ 2,291,810	Principal	\$ 163,904
Principal	\$ 163,736	PEARL RIVER (enrollment 2,523*)		Accountant II	\$ 130,264
Principal	\$ 161,309	Supt. of Schools	\$ 295,865	Instr. Supvr.	\$ 141,987
Principal	\$ 165,352	Deputy Supt.	\$ 249,654	Instr. Supvr. Special Edu	\$ 141,987
Principal	\$ 148,411	Asst. Supt.	\$ 227,389	Instr. Supvr. Clinical Svcs	\$ 141,987
Principal	\$ 165,692	Principal - Hs	\$ 151,970	TOTAL (34 positions)	\$ 5,559,292
Principal	\$ 165,692	Principal - Ms	\$ 194,890	RAMAPO (enrollment 4,707*)	
Principal	\$ 165,352	Principal - Ele	\$ 153,491	Supt. of Schools	\$ 329,056
Principal	\$ 175,348	Principal - Ele	\$ 155,503	Deputy Supt.	\$ 241,536
Asst Principal	\$ 135,455	Principal - Ele	\$ 166,360	Asst Supt For Instruc.	\$ 233,413
Asst Principal	\$ 147,139	Asst Prin - Hs	\$ 130,151	Asst Supt For Business	\$ 214,095
Asst Principal	\$ 134,784	Asst Prin - Ms	\$ 137,272	Dir. Of Pupil Services	\$ 156,800
Asst Principal	\$ 149,774	Athletic Dir.	\$ 154,288	Dir. Of Physical Ed	\$ 151,703
Asst Principal	\$ 141,660	Dir. Of Spec Ed	\$ 191,486	Supvr. Elementary Spc Ed	\$ 132,600
Asst Principal	\$ 152,770	Dir. Of Operations	\$ 184,281	High School Principal	\$ 189,767
Asst Principal	\$ 139,752	TOTAL (13 positions)	\$ 2,392,600	Middle School Principal	\$ 185,152
Exec Dir Of K-6 Curr & Ell Svcs	\$ 171,676	NANUET (enrollment 2,385*)		Elementary Principal	\$ 157,080
Dir. Of Special Ed	\$ 154,178	Supt. of Schools	\$ 368,785	Elementary Principal	\$ 182,268
TOTAL (21 positions)	\$ 3,561,378	Dir. Of Technology	\$ 216,373	Elementary Principal	\$ 180,018
Source: New York State Education Department. Note: The state requires districts to report all administrative positions compensated at \$130,000 annually or above. Includes Salary, benefits and other allowances. *Enrollment numbers are for the 2014-15 school year.		Asst. Dir. Of Technology	\$ 185,560	Elementary Principal	\$ 180,018
		High School Principal	\$ 246,463	Elementary Principal	\$ 182,268
		High School Asst. Principal	\$ 180,935	High School Asst. Principal	\$ 168,057
		Asst. Supt.	\$ 249,014	High School Asst. Principal	\$ 156,060
		Asst Supt For Bsns/School Attny	\$ 228,611	Middle School Asst. Principal	\$ 144,840
		7/8 Principal	\$ 235,774	Middle School Asst. Principal	\$ 168,057
		5/6 Principal	\$ 197,425	High School Asst. Principal	\$ 144,913
		Elementary School Principal	\$ 207,681	Accounting Supvr.	\$ 147,704
		Elementary School Principal	\$ 220,342	TOTAL (20 positions)	\$ 3,645,405
		Asst. Principal Elementary	\$ 183,808	TOTAL for all (152 positions) \$ 27,296,742	
		Dir. Of Student Support	\$ 164,330		
		TOTAL (13 positions)	\$ 2,885,101		

APPENDIX C

The Triborough Amendment

A Brief History

TRIBOROUGH – THEN & NOW

By Terrence L. Olivo

By Terrence L. Olivo

Almost any discussion of Labor Relations or Contract Negotiations in the public sector of New York State includes some referral to “Triborough”. What is often lost is how this relatively obscure amendment to the Taylor Law has become so impactful.

THEN

In 1972, in a case before the Public Employees Relation Board involving employees of the Triborough Bridge & Tunnel Authority, PERB held that public employers were prohibited from unilaterally altering “Terms & Conditions of Employment” while negotiating a successor agreement following the expiration of a contract. The case became known as the Triborough Doctrine. This meant that the mandatory provisions of a contract were frozen; salary step advancement was not required.

Five years later, in 1977, public employers were supported in refusing to provide step salary increases absent a successor agreement by a unanimous decision of the NY State Court of Appeals in a case involving employees of Rockland County BOCES. The Court explained:

“In times of escalating costs and diminishing tax bases, many public employers simply may not be able in good faith to continue to pay automatic increments to employees. The payment of increments does not operate to preserve an existing relationship between the parties, but extends that relationship, giving an edge in negotiations by making the payment a right.”

However, the holding of the court lasted only until 1982 when then Governor Hugh Carey and the legislature amended the Taylor Law to make it an “improper practice” for an employer to refuse to continue all terms of an expired contract until a new agreement was negotiated. The Triborough Doctrine gave way to the Triborough Amendment which PERB interpreted as requiring the payment of increments or steps in the absence of a contract.

NOW

The Triborough Amendment and PERB’s interpretation remains in effect today.

The result continues to have a major impact on salary levels and the ability of public employers to seek concessions at the bargaining table. Not only does “Triborough” provide automatic annual salary increases of typically between 2 – 3 ½ %, it also serves as a strong deterrent for unions to agree to changes in working conditions or increases in such things as the employee share of health insurance premiums. By simply refusing to agree to a successor contract, unions can protect all contract provisions while enjoying an automatic salary increase. This is especially difficult during times of economic downturn and collides head-on with the requirements of the 2% tax cap.

Simply put, it can be argued that “Triborough” provides automatic salary increases regardless of economic conditions and even more importantly serves as a major block to any effort to achieve transformational change.

Terrence L. Olivo is the retired Chief Financial Officer for Orange-Ulster BOCES (Goshen, NY) and former Superintendent for the Monroe-Woodbury Central School District. He is a current member of the education advisory group for Hudson Valley Pattern for Progress and provided the above overview in that capacity.